Case: 1:09-cv-01589 Document #: 100-1 Filed: 11/03/10 Page 1 of 26 PageID #:1398

EXHIBIT A

Page 1

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF ILLINOIS

EASTERN DIVISION

AMERICAN AUTOMOBILE)
INSURANCE COMPANY,)
a Missouri corp.,)

Plaintiff,)

vs.) 09 CV 01589

BRIAN D. McCLURE &)
ASSOCIATES, LTD.,)
et al.,)
Defendants.)

The deposition of BRIAN D. McCLURE, called for examination, taken pursuant to the Federal Rules of Civil Procedure of the United States District Courts pertaining to the taking of depositions, taken before THERESE M. SONNEMAKER, CSR No. 84-2414, within and for the County of Will, State of Illinois, and a Certified Shorthand Reporter of said state, at 2067 Burlington Avenue, Lisle, Illinois, on the 16th day of February, A.D. 2010, at 1:30 p.m.

	Page 2		Page 4
1	PRESENT:	1	(Witness sworn.)
2	THE LAW FIRM OF HINSHAW & CULBERTSON,	2	MR. RICE: Mr. McClure, my name is Dana
2	by:	3	
3	MR. DANA RICE, (222 North LaSalle Street		Rice. I represent American Automobile Insurance
4	Suite 300	4	Company, the plaintiff, in the lawsuit, American
_	Chicago, IL 60601),	5	Automobile Insurance Company versus McClure &
5	on behalf of the Plaintiff;	6	Associates, case number 09 CV 1589.
6		7	Let the record reflect this is the
7	THE LAW FIRM OF CONNELLY ROBERTS &	8	deposition of Brian D. McClure taken pursuant to
,	MCGIVNEY LLC, by: MR. JEFFREY J. SCOLARO,	9	notice and in accordance with the United States
8	(55 West Monroe Street	10	Federal Rules of Civil Procedure for the United
9	Suite 1700 Chicago, Illinois 60603),	11	States District Court.
10	on behalf of the Deponent;	12	I am going to be asking you a series
11	THE LAW FIRM OF KAVANAGH GRUMLEY &	13	of questions today relating to the lawsuit. Just
12	GORBOLD, by: MR. ROBERT R. GORBOLD,	14	a few ground rules. Let me finish my question
	(111 North Ottawa	15	before you answer. That's for the benefit of the
1.3	Joliet, IL 60432),	16	court reporter so she can take down the questions
14	on behalf of the Defendant, Genie Temporary Services.	17	and answers completely. Let me finish my entire
15	remporary services.	18	question before you answer. I know that sometimes
16		19	during the course of a conversation you know
17 18		20	exactly what I am asking. You know what answer
19		21	
20 21		22	you're going to give me. Just for the benefit of
22			the court reporter it helps her take those down.
23		23	It's also important to make all your
24		24	responses verbally as opposed to nodding your
	Page 3		Page 5
1	INDEX	1	head. Again, the court reporter can only take
	WITNESS EXAMINATION	2	down the spoken word.
2	BRIAN D. MCCLURE	3	Again, if any of my questions you
3	DX By MR. RICE Page 5, 90	4	don't understand what I am asking, let me know.
4	CX By MR. SCOLARO Page 86, 92	5	I'll be happy to rephrase or try to ask a better
5	PAHIDITO	6	question.
6	E X H I B I T S NAME MARKED FOR ID	7	If you answer my question, I will
6	MCCLURE Deposition	8	assume you understood what it was I was asking for
7	Exhibit	9	and that was your answer. Okay?
8	Nos. 1-5 93	10	Then at any time you want to take a
9	1,001 1 0	11	break, use the restroom, fine by me. I will stop.
10		12	BRIAN D. MCCLURE,
11		13	called as a witness herein by the Plaintiff,
12		14	
13		15	having been first duly sworn, was examined upon
14			oral interrogatories and testified as follows:
15		16	DIRECT EXAMINATION
16		17	BY MR. RICE:
I		18	Q. Couple things at the outset, is there
17		170	any medicine that you're taking that would prevent
18		19	· · · · · · · · · · · · · · · · · · ·
18 19		20	you from giving anything but complete and truthful
18 19 20		20 21	you from giving anything but complete and truthful answers to my questions today?
18 19 20 21		20	you from giving anything but complete and truthful answers to my questions today? A. No.
18 19 20		20 21	you from giving anything but complete and truthful answers to my questions today?

1 2	Page 6		Page 8
2	A. No.	1	A. In the State of Illinois, Minnesota,
	Q. Have you spoken to anyone about your	2	California, Indiana, North Carolina, South
3	deposition today?	3	Carolina, Texas, Wisconsin, Indiana, Pennsylvania,
4	A. Jeff came and told me, you know, we were	4	and some various other states. I am really not
5	going to be having a deposition. I have taken	5	sure off the top of my head.
6	depositions before so	6	Q. With respect to the Illinois license,
7	Q. That was, in fact, my other question.	7	did you have to complete any education or training
8	How many depositions have you given before?	8	to get that license?
9	A. Probably four or five.	9	A. Yes.
10	Q. What kind of cases were those	10	Q. What did you have to do to obtain that
11	depositions in?	11	license?
12	A. Divorce.	12	A. I had to pass the agency's agent testing
13	Q. Is that the only type of case?	13	that took place back in the '80s and each year or
14	A. Yes.	14	every other year I have to do 30 hours of
15	Q. I know your middle initial is D. What	15	continuing education.
16	does that stand for?	16	Q. How long have you had your Illinois
17	A. Donovan.	17	broker's license?
18	Q. What is your date of birth, sir?	18	A. I think since 1981.
19	A. 3/9/55.	19	Q. Have you maintained that license
20	Q. Where do you currently live?	20	consecutively at least through the years 2007,
21	A. 2248 Hidden Creek Court, Lisle,	21	'08, and '09?
22	Illinois.	22	A. Yes.
23	Q. Sir, have you ever been convicted of a	23	Q. As part of your license, are you allowed
24	felony or a misdemeanor involving dishonesty?	24	to sell Worker's Compensation insurance?
rer-American	Page 7		Page 9
1	A. No.	1	A. Yes.
2	Q. Where are you currently employed?	2	
			() Generally describe to me the types of
	A RD McChire & Accordates		Q. Generally describe to me the types of services B.D. McClure & Associates provides just
3	A. B.D. McClure & Associates.	3	services B.D. McClure & Associates provides, just
4	Q. How long have you been employed there?	3	services B.D. McClure & Associates provides, just kind of an overview?
4 5	Q. How long have you been employed there?A. Since I started the agency back in 1981.	3 4 5	services B.D. McClure & Associates provides, just kind of an overview? A. B.D. McClure is the sales wing. We go
4 5 6	Q. How long have you been employed there?A. Since I started the agency back in 1981.Q. What is your current job title within	3 4 5 6	services B.D. McClure & Associates provides, just kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell
4 5 6 7	Q. How long have you been employed there?A. Since I started the agency back in 1981.Q. What is your current job title within the company?	3 4 5 6 7	services B.D. McClure & Associates provides, just kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance
4 5 6 7 8	Q. How long have you been employed there?A. Since I started the agency back in 1981.Q. What is your current job title within the company?A. I am the president.	3 4 5 6 7 8	services B.D. McClure & Associates provides, just kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you
4 5 6 7 8 9	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 	3 4 5 6 7 8 9	services B.D. McClure & Associates provides, just kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day
4 5 6 7 8 9	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? 	3 4 5 6 7 8 9	services B.D. McClure & Associates provides, just kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period.
4 5 6 7 8 9 10	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. 	3 4 5 6 7 8 9 10	services B.D. McClure & Associates provides, just kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are
4 5 6 7 8 9 10 11	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? 	3 4 5 6 7 8 9 10 11 12	services B.D. McClure & Associates provides, just kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look
4 5 6 7 8 9 10 11 12	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? A. I am a representative. I am in charge 	3 4 5 6 7 8 9 10 11 12 13	services B.D. McClure & Associates provides, just kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look at claims of five-year claims history of where
4 5 6 7 8 9 10 11 12 13	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? A. I am a representative. I am in charge of procuring contracts, agency contracts, with 	3 4 5 6 7 8 9 10 11 12 13	services B.D. McClure & Associates provides, just kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look at claims of five-year claims history of where an insured was. We will determine where the
4 5 6 7 8 9 10 11 12 13 14	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? A. I am a representative. I am in charge of procuring contracts, agency contracts, with companies in helping our producers to sell 	3 4 5 6 7 8 9 10 11 12 13 14 15	services B.D. McClure & Associates provides, just kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look at claims of five-year claims history of where an insured was. We will determine where the frequency and severity is in a risk. We will
4 5 6 7 8 9 10 11 12 13 14 15	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? A. I am a representative. I am in charge of procuring contracts, agency contracts, with companies in helping our producers to sell business and to oversee the operations of the 	3 4 5 6 7 8 9 10 11 12 13 14 15 16	kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look at claims of five-year claims history of where an insured was. We will determine where the frequency and severity is in a risk. We will determine how they can be best help themselves,
4 5 6 7 8 9 10 11 12 13 14 15 16	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? A. I am a representative. I am in charge of procuring contracts, agency contracts, with companies in helping our producers to sell business and to oversee the operations of the agency. 	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look at claims of five-year claims history of where an insured was. We will determine where the frequency and severity is in a risk. We will determine how they can be best help themselves, whether that's by instituting post offer for
4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? A. I am a representative. I am in charge of procuring contracts, agency contracts, with companies in helping our producers to sell business and to oversee the operations of the agency. Q. So would it be fair to say that you're 	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look at claims of five-year claims history of where an insured was. We will determine where the frequency and severity is in a risk. We will determine how they can be best help themselves, whether that's by instituting post offer for higher work or testing for employees, post offer
4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? A. I am a representative. I am in charge of procuring contracts, agency contracts, with companies in helping our producers to sell business and to oversee the operations of the agency. Q. So would it be fair to say that you're responsible for the day-to-day operations of the 	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look at claims of five-year claims history of where an insured was. We will determine where the frequency and severity is in a risk. We will determine how they can be best help themselves, whether that's by instituting post offer for higher work or testing for employees, post offer for prior testing or return to work programs for
4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? A. I am a representative. I am in charge of procuring contracts, agency contracts, with companies in helping our producers to sell business and to oversee the operations of the agency. Q. So would it be fair to say that you're responsible for the day-to-day operations of the company? 	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look at claims of five-year claims history of where an insured was. We will determine where the frequency and severity is in a risk. We will determine how they can be best help themselves, whether that's by instituting post offer for higher work or testing for employees, post offer for prior testing or return to work programs for the Worker's Compensation to mitigate exposure to
4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? A. I am a representative. I am in charge of procuring contracts, agency contracts, with companies in helping our producers to sell business and to oversee the operations of the agency. Q. So would it be fair to say that you're responsible for the day-to-day operations of the company? A. Yes. 	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look at claims of five-year claims history of where an insured was. We will determine where the frequency and severity is in a risk. We will determine how they can be best help themselves, whether that's by instituting post offer for higher work or testing for employees, post offer for prior testing or return to work programs for the Worker's Compensation to mitigate exposure to developing a medical provider that takes a look at
4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? A. I am a representative. I am in charge of procuring contracts, agency contracts, with companies in helping our producers to sell business and to oversee the operations of the agency. Q. So would it be fair to say that you're responsible for the day-to-day operations of the company? A. Yes. 	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look at claims of five-year claims history of where an insured was. We will determine where the frequency and severity is in a risk. We will determine how they can be best help themselves, whether that's by instituting post offer for higher work or testing for employees, post offer for prior testing or return to work programs for the Worker's Compensation to mitigate exposure to developing a medical provider that takes a look at the occupational risk, not the family medical type
4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 Q. How long have you been employed there? A. Since I started the agency back in 1981. Q. What is your current job title within the company? A. I am the president. Q. Has the business been operating since 1981? A. Yes. Q. What exactly do you do for the business? A. I am a representative. I am in charge of procuring contracts, agency contracts, with companies in helping our producers to sell business and to oversee the operations of the agency. Q. So would it be fair to say that you're responsible for the day-to-day operations of the company? A. Yes. Q. Are you a licensed insurance broker? 	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	kind of an overview? A. B.D. McClure is the sales wing. We go out and do what any broker does. We sell premiums, you know, contracts with the insurance carriers guaranteeing claims will be paid for, you know, the policy period, which is a 365 day period. We take a look at premiums are typically based on losses, so we will take a look at claims of five-year claims history of where an insured was. We will determine where the frequency and severity is in a risk. We will determine how they can be best help themselves, whether that's by instituting post offer for higher work or testing for employees, post offer for prior testing or return to work programs for the Worker's Compensation to mitigate exposure to developing a medical provider that takes a look at

	Page 10		Page 12
1	them to understand that for every claims dollar	1	Investigations, two separately-owned companies,
2	that they will spend, it's going to cost them more	2	and we have a partnership agreement between those
3	money, so our goal is to mitigate exposure.	3	entities.
4	Q. What types of insurance products do you	4	Q. Is Brimar a general partner, or is B.D.
5	sell to your clients?	5	McClure a general partner in the partnership, or
6	A. Worker's Compensation, general	6	do you know which one is which?
7	liability, property, auto, umbrellas,	7	A. There is no general partner.
8	comprehensive commercial insurance packages or	8	Q. Do you both have equal interest in the
9	coverages, D & O coverage, professional liability.	9	partnership?
10	Q. Do you sell any homeowners insurance?	10	A. Yes,
11	A. We have one agent that does.	11	Q. First of all, you said Brimar is one of
12	Q. How many employees does McClure employ?	12	the partners in the partnership, correct?
13	A. Three.	13	A. Brimar Investigations, Ltd is owned by
14	Q. What are their names?	14	Dave Ciarrachi. They are a partnership with B.D.
15	A. Barb Gast.	15	McClure & Associates. It becomes McClure &
16	Q. Is that G-a-s-t?	16	Ciarrachi.
17	A. G-a-s-t. Barb Burtelson,	17	B.D. McClure & Ciarrachi. That's a
18	B-u-r-t-e-l-s-o-n. We just hired a new employee	18	funnel account that we have.
19	Tammy. I would have to go look at the last check	19	Q. What's the purpose of that partnership?
20	to tell you her last name because we just hired	20	A. Brimar is a claims administration and
21	her a couple weeks ago.	21	adjusting company, and B.D. McClure & Associates
22	Q. That's fine. Generally, could you	22	is an insurance agency.
23	please describe to me what each of those	23	Q. Is Brimar and B.D. McClure the only two
24	individuals do for McClure.	24	entities that are involved in that partnership?
	Page 11	ļ	Page 13
1	A. Barb Gast is the bookkeeper in charge of	1	A. Yes.
2		1 -	
	the agency operations	2	
3	the agency operations.	2	Q. Is Brimar Investigations, Ltd Brimar
3	Tammy is at the front desk. She	3	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company?
4	Tammy is at the front desk. She answers the phone and is in charge of mail and in	3	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the
4 5	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the	3 4 5	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration
4 5 6	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency.	3 4 5 6	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is.
4 5 6 7	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with	3 4 5 6 7	 Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company
4 5 6 7 8	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims.	3 4 5 6 7 8	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name?
4 5 6 7 8 9	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you?	3 4 5 6 7 8	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but
4 5 6 7 8 9	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years.	3 4 5 6 7 8 9	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct
4 5 6 7 8 9 10	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson?	3 4 5 6 7 8 9 10	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name?
4 5 6 7 8 9 10 11	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years.	3 4 5 6 7 8 9 10 11	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name? A. No.
4 5 6 7 8 9 10 11 12	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years. Q. And Tammy just recently?	3 4 5 6 7 8 9 10 11 12 13	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name? A. No. Q. Who's your primary contact at Brimar?
4 5 6 7 8 9 10 11 12 13	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years. Q. And Tammy just recently? A. Just recently.	3 4 5 6 7 8 9 10 11 12 13	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name? A. No. Q. Who's your primary contact at Brimar? A. Dave Ciarrachi.
4 5 6 7 8 9 10 11 12	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years. Q. And Tammy just recently?	3 4 5 6 7 8 9 10 11 12 13	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name? A. No. Q. Who's your primary contact at Brimar? A. Dave Ciarrachi. Q. Did B.D. McClure & Associates work with
4 5 6 7 8 9 10 11 12 13 14 15 16	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years. Q. And Tammy just recently? A. Just recently. Q. Would you say within the last yearhow about the last six months?	3 4 5 6 7 8 9 10 11 12 13 14 15	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name? A. No. Q. Who's your primary contact at Brimar? A. Dave Ciarrachi. Q. Did B.D. McClure & Associates work with Brimar in connection with any of the insurance
4 5 6 7 8 9 10 11 12 13 14	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years. Q. And Tammy just recently? A. Just recently. Q. Would you say within the last year how about the last six months? A. Last month.	3 4 5 6 7 8 9 10 11 12 13 14	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name? A. No. Q. Who's your primary contact at Brimar? A. Dave Ciarrachi. Q. Did B.D. McClure & Associates work with Brimar in connection with any of the insurance produced or procured through AEG?
4 5 6 7 8 9 10 11 12 13 14 15 16 17	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years. Q. And Tammy just recently? A. Just recently. Q. Would you say within the last yearhow about the last six months? A. Last month. Q. Are you the sole owner of B.D. McClure &	3 4 5 6 7 8 9 10 11 12 13 14 15 16	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but— Q. To your knowledge, that's the correct legal entity name? A. No. Q. Who's your primary contact at Brimar? A. Dave Ciarrachi. Q. Did B.D. McClure & Associates work with Brimar in connection with any of the insurance produced or procured through AEG? A. I don't know that we work with Brimar.
4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years. Q. And Tammy just recently? A. Just recently. Q. Would you say within the last yearhow about the last six months? A. Last month. Q. Are you the sole owner of B.D. McClure & Associates?	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name? A. No. Q. Who's your primary contact at Brimar? A. Dave Ciarrachi. Q. Did B.D. McClure & Associates work with Brimar in connection with any of the insurance produced or procured through AEG? A. I don't know that we work with Brimar. Brimar was handling some claims for AEG.
4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years. Q. And Tammy just recently? A. Just recently. Q. Would you say within the last yearhow about the last six months? A. Last month. Q. Are you the sole owner of B.D. McClure & Associates? A. Yes.	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name? A. No. Q. Who's your primary contact at Brimar? A. Dave Ciarrachi. Q. Did B.D. McClure & Associates work with Brimar in connection with any of the insurance produced or procured through AEG? A. I don't know that we work with Brimar. Brimar was handling some claims for AEG. Q. How long have you Brimar and McClure
4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years. Q. And Tammy just recently? A. Just recently. Q. Would you say within the last year how about the last six months? A. Last month. Q. Are you the sole owner of B.D. McClure & Associates? A. Yes. Q. Does anyone else have a financial	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name? A. No. Q. Who's your primary contact at Brimar? A. Dave Ciarrachi. Q. Did B.D. McClure & Associates work with Brimar in connection with any of the insurance produced or procured through AEG? A. I don't know that we work with Brimar. Brimar was handling some claims for AEG. Q. How long have you Brimar and McClure been partners?
4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years. Q. And Tammy just recently? A. Just recently. Q. Would you say within the last year how about the last six months? A. Last month. Q. Are you the sole owner of B.D. McClure & Associates? A. Yes. Q. Does anyone else have a financial condition in the business?	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name? A. No. Q. Who's your primary contact at Brimar? A. Dave Ciarrachi. Q. Did B.D. McClure & Associates work with Brimar in connection with any of the insurance produced or procured through AEG? A. I don't know that we work with Brimar. Brimar was handling some claims for AEG. Q. How long have you Brimar and McClure been partners? A. Since 1985.
4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Tammy is at the front desk. She answers the phone and is in charge of mail and in charge of learning other responsibilities in the agency. Barb Burtelson primarily works with claims. Q. How long has Barb Gast been with you? A. 17 years. Q. How about Barb Burtelson? A. 17 years. Q. And Tammy just recently? A. Just recently. Q. Would you say within the last year how about the last six months? A. Last month. Q. Are you the sole owner of B.D. McClure & Associates? A. Yes. Q. Does anyone else have a financial	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Q. Is Brimar Investigations, Ltd Brimar Claims Administrative Company? A. Yes. Brimar Investigations, Ltd is the company. I don't know who Brimar Administration Claims Company is. Q. Have you ever heard of that company name? A. People maybe refer to it as that but Q. To your knowledge, that's the correct legal entity name? A. No. Q. Who's your primary contact at Brimar? A. Dave Ciarrachi. Q. Did B.D. McClure & Associates work with Brimar in connection with any of the insurance produced or procured through AEG? A. I don't know that we work with Brimar. Brimar was handling some claims for AEG. Q. How long have you Brimar and McClure been partners?

A. No. I have known him longer than that. Q. Do you know how long you have known him? A. 1982, probably: Q. Mr. Ciarrachi does not have any financial ownership in McClure & Associates? A. No. Q. Obviously, the purpose of this lawsuit deals with the insurance produced through AEG. Your familiar with that, correct? A. Yes. Q. When did McClure start offering lisurance products for AEG? Whenever I say AIG, I man AEG. It's simply a slip-up. MR. SCOLARO: Can you repeat the guestion? Q. When did you start soliciting or offering for sale Worker's Compn insurance offered or ardmistracted by AEG? Q. When did you start soliciting or offering for sale Worker's Comp insurance offered or ardmistracted by AEG? Q. When long do you think you sold AEG products? A. Repeat that question. Q. You started in about late 2005. How Page 15 long did you sell insurance administered with AEG? A. Ne. A. We sold the products until we discovered that there may be a problem with the AEG program, which was -1 believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe - Are you aware that McClure to has filed a counterclaim against American A. Yes. Q. I believe - Are you aware that McClure to has filed a counterclaim against American A. A. Yes. Q. I believe in was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe in was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe in was in 2007 was when we correctly. A. No, because in July of 2007 was when we for have a problem with the AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling through AEG quite sometime before and stopped The work of the year that you agent that its allowed		Page 14	- Accessions to the second sec	Page 16
2 Q. Do you know how long you have known him? 3 A. 1982, probably. 4 Q. Mr. Ciarrachi does not have any 5 financial ownership in McClure & Associates? 5 A. No. 7 Q. Obviously, the purpose of this lawsuit 6 deals with the insurance produced through AEG. 7 Q. Obviously, the purpose of this lawsuit 8 deals with the insurance produced through AEG. 9 Q. When you say you brought them in, you brought them in to fill the void for offering 9 Vour's familiar with that, correct? 10 A. Yes. 11 Insurance, We brought them in the Wold for offering 12 insurance produces for AEG? Whenever I say AIG, I insurance produces for AEG? Whenever I say AIG, I insurance produces for AEG? Whenever I say AIG, I insurance produces for AEG? Whenever I say AIG, I insurance we brought them in the fill the void for offering 12 insurance products for AEG? Whenever I say AIG, I insurance we brought them in the fill the void for offering 13 insurance products for AEG? Whenever I say AIG, I insurance. We brought them in a that time. We got - They were not licensed in the State of six days. They agreed to take over all of the accounts that we had written through AEG as of December 25, 2007. 14 Q. When jou say they were willing to take them over, do you mean that they would start a new policy term with the inception of the date when the AEG products? 14 Q. You started in about late 2005. How 20 date, and then they would renew it. 15 Q. You started in about late 2005. How 21 assume the liability that AEG had prior to July 25 bin of '07? 2 When was -1 believe in was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. 2 of that? 2 Depoint them in to fill the void for offering with the accounts that we had written them in a that time. We got - six days. They were not licensed in the State of six days. They agreed to take over all of the accounts that we had written through AEG as of 20 products? 2 products? 3 A. Repeat that question. 2 Q. You started in about late 2005. How 2 days the wer	1	A No I have known him longer than that	1	
A. 1982, probably. Q. Mr. Ciarrachi does not have any financial ownership in McClure & Associates? A. No. A. No. Q. Obviously, the purpose of this lawsuit deals with the insurance produced through AEG. Yovire familiar with that, correct? Q. When did McClure start offering insurance products for AEG? Whenever I say AIG, 1 mean AEG. It's simply a slip-up. MR. SCOLARO: Can you repeat the question? Q. When did you start soliciting or MR. SCOLARO: Can you repeat the question? Q. When did you start soliciting or MR. SCOLARO: Can you repeat the question? Q. When did you start soliciting or MR. SCOLARO: Can you repeat the question? Q. When did you start soliciting or MR. SCOLARO: Can you repeat the question? Q. When did you start soliciting or MR. SCOLARO: Can you repeat the question? Q. When did you start soliciting or MR. SCOLARO: Can you repeat the question? Q. When did you start soliciting or or administered by AEG? Q. When you say they were willing to take them over, do you mean that they would start a new policy term with the incurance administered with AEG? Q. How long do you think you sold AEG products? A. Repeat that question. Q. You started in about late 2005. How Page 15 I long did you sell insurance administered with AEG? A. We sold the products until we discovered that there may be a problem with the AEG program, which was —I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe — Are you aware that McClure has filed a counterclaim against American A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. A. Q. believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. A. Seen. A. Seen. A. Jul and was the president and CEO of A. Seven. Q. When you say you prough them in to filt the rote for them in to filt the voic file arrice from producer than th	l		ĺ.	•
4 Q. Mr. Ciarrachi does not have any 5 financial ownership in McClure & Associates? 6 A. No. 7 Q. Obviously, the purpose of this lawsuit 8 deals with the insurance produced through AEG. 9 You're familiar with that, correct? 10 A. Yes. 11 Q. When did McClure start offering 12 insurance products for AEG? Whenever I say AIG, 1 13 mean AEG. It's simply a slip-up. 14 MR. SCOLARO: Can you repeat the 15 question? 16 By MR. RICE: 17 Q. When did you start soliciting or 18 offering for sale Worker's Compinsurance offered 19 or administered by AEG? 20 A. In late 2005. 21 Q. How long do you think you sold AEG 22 products? 23 A. Repeat that question. 24 Q. You started in about late 2005. How 25 A. We sold the products until we discovered 4 that there may be a problem with the AEG program, 5 which was -1 believe it was in 2007, the first 6 part of the year in 2007, maybe May of 2007, 7 something like that, if my memory serves me 20 correctly. 3 A. We sold the products until we discovered 4 that there may be a problem with the AEG program, 5 which was -1 believe in was in 2007, the first 6 part of the year in 2007, maybe May of 2007, 7 something like that, if my memory serves me 20 correctly. 3 A. Yes. 4 Q. I believe in your counterclaim you had 5 indicated that you had sold the product up until 6 about July of 2007 so when we had problem that before, two months before, probably a month before, two months before, probably a month before. Sometime in July they were liquidated. 20 There was no company, and we stopped selling 21 There was no company, and we stopped selling 22 There was no company, and we stopped selling 23 Chemical swith the AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. 21 There was no company, and we stopped selling 22 There was no company, and we stopped selling 23 Chemical swith and the product up must be accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liqu				
financial ownership in McClure & Associates? A. No. Obviously, the purpose of this lawauit deals with the insurance produced through AEG. You're familiar with that, correct? Owner familiar with that, correct? New factor of the partment of firing the deals with the insurance produced through AEG. Worker's Compensation insurance poficies? A. Yes. Owner familiar with that, correct? A. Yes. Worker's Compensation insurance poficies? A. We actually had a meeting in Springfield with Eddie McCreety (Phonetic), the Department of Insurance. We brought them in at that time. We got - They were not licensed in the State of Illinois. We got them approved within five or six days. They agreed to take over all of the said of Products of AEG. When you say they were willing to take over all of the said of Products? When did you start soliciting or or administered by AEG? When you say they were willing to take the when the AEG policy expired? A. In late 2005. Owner familiar with the AEG program, which was -1 believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. A. We sold the products until we discovered that there may be a problem with the AEG program, which was -1 believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. A. Yes. O. I believe - Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware that McClure as filed a counterclaim against American Automobile in the federal lawsuit? Are you aware that McClure as filed a counterclaim against American A. No. D. I believe in your counterclaim you had indicated that you had sold the product up until adout July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought them in at that time. We got them in at that time. We actually had a morth before, two months before, wore more part of the swike AEG and prior to July 2	1	· ·		
6 A. No. 7 Q. Obviously, the purpose of this lawauit 8 deals with the insurance produced through AEG. 9 You're familiar with that, correct? 10 A. Yes. 11 Q. When did McClure start offering 12 insurance products for AEG? Whenever I say AIG, 1 13 mean AEG. It's simply a slip-up. 14 MR. SCOLARO: Can you repeat the 15 question? 16 BY MR. RICE: 17 Q. When did you start soliciting or 18 offering for sale Worker's Comp insurance offered 19 or administered by AEG? 20 A. In late 2005. 21 Q. How long do you think you sold AEG 21 products? 22 products? 23 A. Repeat that question. 24 Q. You started in about late 2005. How 25 Page 15 26 A. We sold the products until we discovered that there may be a problem with the AEG program, which was -1 believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. 26 Q. I believe Are you aware that McClure has filed a counterclaim against American 27 A. Nes. 28 Q. I believe in your counterclaim you had indicated that you had sold the product up until filed about July of 2007. Does that sound accurate? 3 A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of 79, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. 2 before. Sometime in July they were liquidated. 2 There was no company, and we stopped selling 9 Q. Are you captive agents for those insurance companies? A. We actually had a meeting in Springfield with Eddie McCreety (Phonetic), the Department of Insurance, We brought them in it to fill the void for Perpotuer I say AIG, 1 18 Illinois. We get them approved within five or insurance podicties? A. We actually had a meeting in Springfield with Eddie McCreety (Phonetic), the Pepatrum of Illinois. We get them approved within five or insurance podicties? A. We actually had a meeting in Springfield with Eddie McCreety (Phonetic), the McClure with		•		
7 O. Obviously, the purpose of this lawsuit 8 deals with the insurance produced through AEG. 9 You're familiar with that, correct? 10 A. Yes. 11 Q. When did McClure start offering 12 insurance products for AEG? Whenever I say AIG, 1 13 mean AEG. It's simply a slip-up. 14 MR. SCOLARO: Can you repeat the 15 question? 16 BY MR. RICE: 17 Q. When did you start soliciting or 18 offering for sale Worker's Comp insurance offered 19 or administered by AEG? 20 A. In late 2005. 21 Q. How long do you think you sold AEG 22 products? 23 A. Repeat that question. 24 Q. You started in about late 2005. How 25 How long did you sell insurance administered with 26 AEG? 27 A. We sold the products until we discovered that there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. 28 A. Yes. 29 Q. I believe - Are you aware that McClure has field a counterclaim against American 29 A. Yes. 30 A. Yes. 41 Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? 42 A. Yes. 43 A. Yes. 44 Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? 45 A. Yes. 46 Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? 47 A. No, because in July of 2007 was when we rought Dallas National on board, July 25th of 10 or 74, to be specific, to take over all the companies of you write business for? 48 A. Yes. 49 Q. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. 40 A. No, Sometime in July they were liquidated. 41 There was no company, and we stopped selling. 42 Defendence of the death of the product sund the fore. Sometime in July they were liquidated. 43 There was no company, and we stopped selling. 4				
deals with the insurance produced through AEG. Vor're familiar with that, correct? A. We actually had a meeting in Springfield with Eddie McCreety (Phonetic), the Department of 1 with Eddie McCreety (Phonetic), the Department of 1 linsurance products for AEG? Whenever I say AIG, 1 issurance products for AEG? Whenever I say AIG, 1 singurance products for AEG? Whenever I say AIG, 1 singurance products for AEG? Whenever I say AIG, 1 got — They were not licensed in the State of 1 linsurance, We brought them in at that time. We got — They were not licensed in the State of 1 linsurance, we brought them in at that time. We got — They were not licensed in the State of 1 linsurance, we brought them in at that time. We got — They were not licensed in the State of 1 linsurance, we brought them in at that time. We got — They were not licensed in the State of 1 linsurance, we brought them in at that time. We got — They were not licensed in the State of 1 linsurance, we brought them in at that time. We got — They were not licensed in the State of 1 linsurance, we brought them in at that time. We got — They were not licensed in the State of 1 linsurance, we brought them in at that time. We got — They were not licensed in the State of 1 linsurance, we brought them in at that time. We got — They were not licensed in the State of 1 linsurance administered what accounts that we had written through AEG as of Eddie McCreety expired? A. In late 2005. Q. When you say they were willing to take them over, do you mean that they would start a new popic rem with the inexpit on 5 popic take. Page 15 Page 15 Page 17 A. No. As of July 25, 2007 they started writing the insurance through to the expiration date, and then they would renew it. Q. So they were not licensed in the State of 1 liminstready McClure with and written through AEG as of 1 liminstready McClure with a secondary limi				
7 You're familiar with that, correct? A. Yes. A. Yes. When did McClure start offering insurance products for AEG? Whenever I say AIG, I mean AEG. It's simply a slip-up. MR. SCOLARO: Can you repeat the guestion? BY MR. RICE: O. When did you start soliciting or or administered by AEG? A. In late 2005. Q. How long do you think you sold AEG products? A. Repeat that question. A. Repeat that question. O. You started in about late 2005. How Page 15 long did you sell insurance administered with AEG; as off that? A. We sold the products until we discovered that there may be a problem with the AEG program, which was — I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe — Are you aware that McClure has field a counterclaim against American of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about before, brow ball and the producers that work with McClure As Associates, and the producers that work here that were handling claims for AEG. Q. How obline in the federal lawsuit? Are you aware to find; A. Yes. Q. I believe in your counterclaim you had about before, probably a month before, two months before, probably a month before, sometime in July they were liquidated, and there was no company, and we stopped selling There was no company, and we stopped selling A. A mon, because in July of 2007 vas when we brought Dallas National on board, July 25th of 19 19 19 19 19 19 19 19 19 19 19 19 19			1	
A. Yes. Q. When did McClure start offering 11 ginsurance products for AEG? Whenever I say AIG, I 12 mean AEG. It's simply a slip-up. MR. SCOLARO: Can you repeat the 14 MR. SCOLARO: Can you repeat the 15 question? Q. When did you start soliciting or 16 BY MR. RICE: 17 Q. When did you start soliciting or 18 offering for sale Worker's Comp insurance offered 19 or administered by AEG? 20 A. In late 2005. 21 Q. How long do you think you sold AEG 22 products? 23 A. Repeat that question. 24 Q. You started in about late 2005. How 25 Page 15 26 AEG? 27 AEG? 28 A. We sold the products until we discovered 4 that there may be a problem with the AEG program, 4 which was I believe it was in 2007, the first 5 part of the year in 2007, maybe May of 2007, 7 something like that, if my memory serves me 26 correctly. 27 ALG? 28 A. Yes. 29 Q. I believe Are you aware that McClure 29 of that? 20 A. You. 30 A. Yes. 31 A. Yes. 42 Q. I believe in your counterclaim you had 45 indicated that you had sold the product up until 46 about July of 2007. Does that sound accurate? 47 A. No, because in July of 2007 was when we 48 prought them in at that time. We 49 G. When you say they were not liensed in the mach accounts that we had written through AEG as of 51 December 25, 2007. 52 Q. When you say they were willing to take 52 them over, do you mean that they would start a new 54 policy term with the inception of the date when 55 the AEG policy expired? 56 A. No, As of July 25, 2007 they started 57 writing the insurance through to the expiration 58 date, and then they would renew it. 59 Q. So they were not going to take over or 59 Page 17 50 assume the liability that AEG had prior to July 50 So they were not going to take over or 50 A. No, So they were not going to take over or 50 A. Which was I believe it was in 2007, the first 60 prior of the year in 2007, maybe May of 2007, 61 A. Just with Mike Ward. 62 Q. How did you meet Mr. Ward? 63 A. He was introduced to me by two of the 64 producers that work with McClure & Associates. 64 Q.	1			· · · · · · · · · · · · · · · · · · ·
Q. When did McClure start offering insurance products for AEG? Whenever I say AIG, I insurance products for AEG? Whenever I say AIG, I MR. SCOLARO: Can you repeat the MR. SCOLARO: Can you repeat the Unestion? MR. SCOLARO: Can you repeat the Unestion? BY MR. RICE: Q. When did you start soliciting or offering for sale Worker's Comp insurance offered or administered by AEG? A. In late 2005. Q. How long do you think you sold AEG 20 products? A. Repeat that question. Q. You started in about late 2005. How 21 long did you sell insurance administered with AEG? A. We sold the products until we discovered that there may be a problem with the AEG program, which was —I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe — Are you aware that McClure of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we prough Dallas National on board, July 25th of 707, and the producers that we had written through AEG as of December 25, 2007. Illinois. We got them approved within five or six days. They agreed to take over all of the accounts that we had written through AEG as of December 25, 2007. Q. When you say they were willing to take them over, do you mean that they would start a new policy term with the inception of the date when the AEG policy expired? A. No. As of July 25, 2007 they started writing the insurance through to the expiration date, and then they would renew it. Q. So they were not going to take over all of the accounts that AEG was ling in the federal lawsuit? As No. A No. Q. Did you have any contacts at AEG directly? A. No. As of July 25 2007 they started writing the insurance administered with a No. A No. Q. Did you have any contacts at AEG directly? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of	1			
insurance products for AEG? Whenever I say AIG, I mean AEG. It's simply a slip-up. MR. SCOLARO: Can you repeat the question? BY MR. RICE: O. When did you start soliciting or or administered by AEG? A. In late 2005. Q. When you say they were willing to take when with a LEG products? A. Repeat that question. O. You started in about late 2005. How Page 15 I long did you sell insurance administered with which was1 believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. O. I believe Are you aware that McClure of that? A. Yes. O. I believe in your counterclaim you had indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for indicated that you had sold the product up until for ind	1		į.	
mean AEG. It's simply a slip-up. MR. SCOLARO: Can you repeat the MR. SCOLARO: Can you repeat the MR. SCOLARO: Can you repeat the BY MR. RICE: O. When did you start soliciting or offering for sale Worker's Comp insurance offered or administered by AEG? A. In late 2005. Q. How long do you think you sold AEG December 25, 2007. Q. When you say they were willing to take them over, do you mean that they would start a new policy term with the inception of the date when the AEG policy expired? A. No. As of July 25, 2007 they started writing the insurance through to the expiration date, and then they would renew it. Q. So they were not going to take over or Page 15 Page 17 assume the liability that AEG had prior to July 25th of '07? A. No. O. How long do you think you sold AEG There was no company, and we stopped selling Illinois. We got them approved within five or six days. They agreed to take over all of the accounts that we had written through AEG as of December 25, 2007. Q. When you say they were willing to take them over, do you mean that they would start a new policy term with the inception of the date when the AEG policy expired? A. No. As of July 25, 2007 they started writing the insurance through to the expiration date, and then they would renew it. Q. So they were not going to take over or Page 17 a. No. As of July 25, 2007 they started writing the insurance through to the expiration date, and then they would renew it. Q. So they were not going to take over or Page 17 a. No. A. No. Q. Did you have any contacts at AEG directly? A. Mike Ward. A. Mike Ward. A. Mike Ward. A. Mike Ward. A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work - They are independent producers that work with McClure & Associates. Q. About how many different insurance companies? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.		- ·	ļ	
14 MR. SCOLARO: Can you repeat the 15 question? 16 BY MR. RICE: 17 Q. When did you start soliciting or 18 offering for sale Worker's Comp insurance offered 19 or administered by AEG? 20 A. In late 2005. 21 Q. How long do you think you sold AEG 22 products? 23 A. Repeat that question. 24 Q. You started in about late 2005. How 25 Page 15 26 I long did you sell insurance administered with 26 AEG? 3 A. We sold the products until we discovered 4 that there may be a problem with the AEG program, 5 which was1 believe it was in 2007, the first 6 part of the year in 2007, maybe May of 2007, 7 something like that, if my memory serves me 26 correctly. 3 A. Yes. 4 Q. I believe Are you aware that McClure 10 has filed a counterclaim against American 11 Automobile in the federal lawsuit? Are you aware 12 of that? 13 A. Yes. 4 Q. I believe in your counterclaim you had 14 about July of 2007. Does that sound accurate? 15 orought Dallas National on board, July 25th of 16 orought Dallas National on board, July 25th of 17 oro, to be specific, to take over all the accounts that we had written through AEG as of December 25, 2007. Q. When you say they were willing to take them over, do you mean that they would start a new policy term with the inception of the date when the AEG policy expired? A. No. As of July 25, 2007 they started writing the insurance through to the expiration date, and then they would renew it. Q. So they were not going to take over or Page 17 A. No. 4 Q. Did you have any contacts at AEG directly? A. Just with Mike Ward. Q. Who's Mike Ward. A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. Who's Mike Ward was the president and CEO of A. He was introduced to me by two of the producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive asimple over, do you mean that they would start a new p		- · · · · · · · · · · · · · · · · · · ·		
accounts that we had written through AEG as of December 25, 2007. Q. When you say they were willing to take them over, do you mean that they would start a new policy term with the inception of the date when the AEG policy expired? A. In late 2005. Q. How long do you think you sold AEG Page 15 A. Repeat that question. Q. You started in about late 2005. How Page 15 long did you sell insurance administered with AEG? AEG? A. We sold the products until we discovered that there may be a problem with the AEG program, which was1 believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of "07, to be specific, to take over all the accounts. I believe that AEG will insurance companies? A. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were willing to take them over, do you mean that they would start a new policy term with the inception of the date when the word, do you mean that they would start a new policy term with the inception of the date when the AEG policy expired? A. No. As of July 25, 2007 they started writing the insurance through to the expiration date, and then they would renew it. Q. So they were not going to take over or Page 15 A. No. As of July 25, 2007 they started writing the insurance through to the expiration date, and then they would renew it. Q. So they were not going to take over or Page 15 A. No. As of July 25, 2007 they started writing the insurance through to the expiration date, and then they would renew it. Q. So they were not going to take over or Page 17 A. No. A. We sold the products until we discovered directly assume the liability that AEG had prior to July	1			
16 BY MR. RICE: Q. When did you start soliciting or or administered by AEG? 19 or administered by AEG? 20 A. In late 2005. 21 Q. How long do you think you sold AEG 22 products? 23 A. Repeat that question. 24 Q. You started in about late 2005. How 25 Page 15 26 AEG? 27 A. We sold the products until we discovered that there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. 26 Automobile in the federal lawsuit? Are you aware that McClure for that? 27 A. No, because in July of 2007 was when we labout July of 2007. Does that sound accurate? 28 brought Dallas National on board, July 25th of 19 '07, to be specific, to take over all the accounts. I believe that AEG was liquidated a contenter in July they were liquidated. 21 month before, two months before, probably a month before, two months before, probably an moth before, sometime in July they were liquidated. 22 There was no company, and we stopped selling agents. 10 A. Who was the prosupt paulies and the they would renew it. Q. So they were not going to take over or Page 15 Page 15 Page 15 Page 17 A. No. As of July 25, 2007 they started writing the insurance ethrough to the AEG policy expired? A. No. As of July 25, 2007 they started writing the insurance ethrough to the AEG policy expired? A. No. As of July 25, 2007 they started writing the insurance of July 25th of 18 to AEG. Q. Did you have any contacts at AEG directly? A. Mike Ward. Q. Who's Mike Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. Whon you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents f	1	• •	Î	
Q. When did you start soliciting or offering for sale Worker's Comp insurance offered offering for sale Worker's Comp insurance offered or administered by AEG? A. In late 2005. Q. How long do you think you sold AEG products? A. Repeat that question. Q. You started in about late 2005. How Page 15 long did you sell insurance administered with atther may be a problem with the AEG policy expired? A. We sold the products until we discovered that there may be a problem with the AEG program, which was — I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe — Are you aware that McClure has filed a counterclaim against American A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we rough to take over or when we have the work in surance administered with AEG when the products until we discovered that there may be a problem with the AEG program, which was — I believe in was in 2007, first of that? A. We sold the products until we discovered that there may be a problem with the AEG program, which was — I believe it was in 2007, first of irrectly? A. No. A. Mike Ward was the president and CEO of AEG. A. Mike Ward was the president and CEO of AEG. A. He was introduced to me by two of the produce	I	•	i	•
18 offering for sale Worker's Comp insurance offered or administered by AEG? 20 A. In late 2005. Q. How long do you think you sold AEG 21 products? 22 products? 23 A. Repeat that question. 24 Q. You started in about late 2005. How 25 Page 15 1 long did you sell insurance administered with AEG you hat the there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure 10 has filed a counterclaim against American 11 A. Yes. 12 Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? 10 A. No, because in July of 2007 was when we brongth Dallas National on board, July 25th of 19 10 10 10 10 10 10 10 10 10 10 10 10 10 1	17		17	*
19 or administered by AEG? 20 A. In late 2005. 21 Q. How long do you think you sold AEG 22 products? 23 A. Repeat that question. 24 Q. You started in about late 2005. How 25 Page 15 26 long did you sell insurance administered with 4 AEG (Program, which was1 believe it was in 2007, the first 5 part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. 26 Q. I believe Are you aware that McClure 4 has filed a counterclaim against American 1 Automobile in the federal lawsuit? Are you aware 12 of that? 27 A. Yes. 28 A. Yes. 29 Q. I believe in your counterclaim you had about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of 19 (7), to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month agents. I before Xero A. I am not sure what you mean by captive 23 agents.	18	•	Ē	
20 A. In late 2005. 21 Q. How long do you think you sold AEG 22 products? 23 A. Repeat that question. 24 Q. You started in about late 2005. How 25 Page 15 26 Page 15 27 Page 17 28 A. We sold the products until we discovered that there may be a problem with the AEG program, which was — I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. 29 Q. I believe — Are you aware that McClure has filed a counterclaim against American 11 Automobile in the federal lawsuit? Are you aware of that? 12 Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? 10 A. No. As of July 25, 2007 they started writing the insurance through to the expiration date, and then they would renew it. 24 Q. So they were not going to take over or Page 17 Page 17 Page 17 A. No. 4 Q. Did you have any contacts at AEG directly? 4 A. Mike Ward. 5 directly? 6 A. Just with Mike Ward. 7 Q. Who's Mike Ward? 8 A. Mike Ward was the president and CEO of 9 AEG. 9 A. He was introduced to me by two of the producers that work here that were handling claims for AEG. 14 Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? 16 A. No. because in July of 2007 was when we brought Dallas National on board, July 25th of 19 707, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before, two months before, probably a month before, two months before, probably a month before, Sometime in July they were liquidated. 21 There was no company, and we stopped selling 20 There was no company, and we stopped selling 21 the AEG policy and then they would renew it. 22 A. I am not sure what you mean by captive agents.	19		į.	
21 Q. How long do you think you sold AEG 22 products? 23 A. Repeat that question. 24 Q. You started in about late 2005. How 25 Page 15 26 Page 15 27 Page 17 28 Page 17 29 Page 17 20 long did you sell insurance administered with AEG? 30 A. We sold the products until we discovered that there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. 20 Q. I believe Are you aware that McClure has filed a counterclaim against American 21 Automobile in the federal lawsuit? Are you aware of that? 22 A. Yes. 23 A. No. As of July 25, 2007 they started writing the insurance through to the expiration date, and then they would renew it. 24 Q. So they were not going to take over or 25 Page 17 26 assume the liability that AEG had prior to July 25th of '07? 27 assume the liability that AEG had prior to July 25th of '07? 28 A. No. 4 Q. Did you have any contacts at AEG directly? 4 A. Mike Ward. 5 directly? 6 A. Just with Mike Ward. 7 Q. Who's Mike Ward? 8 A. Mike Ward was the president and CEO of AEG. 9 AEG. 10 Q. How did you meet Mr. Ward? 11 A. He was introduced to me by two of the producers that work here that were handling claims for AEG. 12 Q. When you say "work here," where? 13 A. Yes. 14 Q. I believe in your counterclaim you had 14 producers that work with McClure & Associates. 15 A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of 18 brought Dallas National on board, July 25th of 19 (7, to be specific, to take over all the 19 producers that work with McClure & Associates. 16 Page 17 18 A. Yes. 10 Page 17 19 A. No. As of July 25th of 19 Page 17 20 A. No. As of July 25th of 19 Page 17 21 A. No we are the liability that AEG had prior to July 25th of 19 Page 17 22 A. No we are not joint the expiration of the product up until 19 Page 19 Pa	20	-		
22 products? A. Repeat that question. Q. You started in about late 2005. How Page 15 Page 15 long did you sell insurance administered with AEG? A. We sold the products until we discovered that there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of 19 (7), to be specific, to take over all the accounts. I believe that AEG was liquidated. 20 There was no company, and we stopped selling 22 writing the insurance through to the expiration date, and then they would renew it. Q. So they were not going to take over or Page 17 adate, and then they would renew it. Q. So they were not going to take over or Page 17 assume the liability that AEG had prior to July 25th of 07?? A. No. Q. Did you have any contacts at AEG directly? A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of A. Just with Mike Ward. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. A. Seven. A. Far you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	21	Q. How long do you think you sold AEG		
A. Repeat that question. Q. You started in about late 2005. How Page 15 Page 15 Page 17 long did you sell insurance administered with AEG? A. We sold the products until we discovered that there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of 19 707, to be specific, to take over all the accounts. I believe that AEG was liquidated. 21 month before, two months before, probably a month before. Sometime in July they were liquidated. 23 There was no company, and we stopped selling A. I am not sure what you mean by captive agents. A. Repeat that Q. Vand then they would renew it. Q. So they were not going to take over or Page 17 A. Q. So they were not going to take over or Page 17 assume the liability that AEG had prior to July 25th of 107? A. No. Q. Did you have any contacts at AEG directly? A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents. A. I am not sure what you mean by captive agents.	22		22	
Page 15 Page 15 Page 17 long did you sell insurance administered with AEG? A. We sold the products until we discovered that there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, Something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of 107, to be specific, to take over all the accounts. I believe that AEG was liquidated. There was no company, and we stopped selling Page 17 assume the liability that AEG had prior to July 25th of 107? A. No. A. Mike Ward. A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	23	•	23	- · · · · · · · · · · · · · · · · · · ·
Page 15 long did you sell insurance administered with AEG? A. We sold the products until we discovered that there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No. Q. Who's Mike Ward. A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	24		24	· · · · · · · · · · · · · · · · · · ·
AEG? A. We sold the products until we discovered that there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. B. Correctly. C. I believe Are you aware that McClure has filed a counterclaim against American has filed a counterclaim you had has oft that? C. I believe in your counterclaim you had has old the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of hor word of the your counts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling has a count of the products unitil which was any contacts at AEG and No. A. No. A. No. A. No. A. No. A. No. A. Just with Mike Ward. A. Mike Ward was the president and CEO of AEG. D. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	contrate and the second	Page 15		
AEG? A. We sold the products until we discovered that there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. B. Correctly. C. I believe Are you aware that McClure has filed a counterclaim against American has filed a counterclaim you had has oft that? C. I believe in your counterclaim you had has old the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of hor word of the your counts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling has a count of the products unitil which was any contacts at AEG and No. A. No. A. No. A. No. A. No. A. No. A. Just with Mike Ward. A. Mike Ward was the president and CEO of AEG. D. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	1	long did you sell insurance administered with	1	assume the liability that AEG had prior to July
A. We sold the products until we discovered that there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of '07, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling A. No. Q. Did you have any contacts at AEG directly? A. Just with Mike Ward. A. Mike Ward was the president and CEO of A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	1		-	
that there may be a problem with the AEG program, which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. Who's Mike Ward. A. Mike Ward was the president and CEO of AEG. Has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of '07, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling A. Did you have any contacts at AEG directly? A. Just with Mike Ward. A. Mike Ward was the president and CEO of A. Mike Ward was the president and CEO of A. Mike Ward was the president and CEO of A. Mike Ward was the president and CEO of A. Mike Ward was the president and CEO of A. Mike Ward. A. Mike Ward. A. He was introduced to me by two of the producers that work here; where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	1		1	
which was I believe it was in 2007, the first part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of A. Mike Ward was the president and CEO of A. Mike Ward was the president and CEO of A. Mike Ward was the president and CEO of A. Mike Ward was the president and CEO of AEG. Let was introduced to me by two of the producers that work here that were handling claims for AEG. A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of Vor, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling A. I am not sure what you mean by captive agents.	1		4	
part of the year in 2007, maybe May of 2007, something like that, if my memory serves me correctly. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Delieve Are you aware that McClure Automobile in the federal lawsuit? Are you aware A. He was introduced to me by two of the producers that work here that were handling claims A. Yes. A. Yes. Q. When you say "work here," where? A. They work They are independent about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of yor, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling A. Just with Mike Ward. A. Mike Ward was the president and CEO of AEG. A. Me was introduced to me by two of the producers that work here that were handling claims for AEG. A. He was introduced to me by two of the producers that work here that were handling claims for AEG. A. He was introduced to me by two of the producers that work here that were handling claims for AEG. A. He was introduced to me by two of the producers that work here that were handling claims for AEG. A. He was introduced to me by two of the producers that work here that were handling claims for AEG. A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	1			· · · · · · · · · · · · · · · · · · ·
something like that, if my memory serves me correctly. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. 10 has filed a counterclaim against American 11 Automobile in the federal lawsuit? Are you aware 12 of that? 13 A. Yes. 14 Q. I believe in your counterclaim you had 15 indicated that you had sold the product up until 16 about July of 2007. Does that sound accurate? 17 A. No, because in July of 2007 was when we 18 brought Dallas National on board, July 25th of 19 '07, to be specific, to take over all the 20 accounts. I believe that AEG was liquidated a 21 month before, two months before, probably a month 22 before. Sometime in July they were liquidated. 23 There was no company, and we stopped selling 7 Q. Whon's Mike Ward? A. Mike Ward was the president and CEO of A. Mike Ward was the president and CEO of A. Mike Ward was the president and CEO of A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	1		1	
8 correctly. 9 Q. I believe Are you aware that McClure 10 has filed a counterclaim against American 11 Automobile in the federal lawsuit? Are you aware 12 of that? 13 A. Yes. 14 Q. I believe in your counterclaim you had 15 indicated that you had sold the product up until 16 about July of 2007. Does that sound accurate? 17 A. No, because in July of 2007 was when we 18 brought Dallas National on board, July 25th of 19 '07, to be specific, to take over all the 20 accounts. I believe that AEG was liquidated a 21 month before, two months before, probably a month 22 before. Sometime in July they were liquidated. 23 There was no company, and we stopped selling 10 AEG. 11 A. He was introduced to me by two of the 12 producers that work here that were handling claims 13 A. He was introduced to me by two of the 14 A. He was introduced to me by two of the 15 A. He was introduced to me by two of the 16 A. He was introduced to me by two of the 17 A. He was introduced to me by two of the 18 Producers that work here that were handling claims 18 A. Yes. 19 Q. When you say "work here," where? 19 A. They work They are independent 19 producers that work with McClure & Associates. 10 Q. About how many different insurance 11 A. Seven. 12 Q. Are you captive agents for those 13 insurance companies? 14 Q. Are you captive agents for those 15 insurance companies? 16 A. I am not sure what you mean by captive 16 agents.		part of the year in 2007, maybe may of 2007,	6	•
Q. I believe Are you aware that McClure 10 has filed a counterclaim against American 11 Automobile in the federal lawsuit? Are you aware 12 of that? 13 A. Yes. 14 Q. I believe in your counterclaim you had 15 indicated that you had sold the product up until 16 about July of 2007. Does that sound accurate? 17 A. No, because in July of 2007 was when we 18 brought Dallas National on board, July 25th of 19 '07, to be specific, to take over all the 20 accounts. I believe that AEG was liquidated a 21 month before, two months before, probably a month 22 before. Sometime in July they were liquidated. 23 There was no company, and we stopped selling 10 Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims 11 A. He was introduced to me by two of the producers that work here that were handling claims 12 producers that work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	7		i i	A. Just with Mike Ward.
Automobile in the federal lawsuit? Are you aware of that? 12 of that? 13 A. Yes. 14 Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? 15 A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of to you, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. 16 A. He was introduced to me by two of the producers that work here that were handling claims for AEG. 12 Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. 17 Q. About how many different insurance companies do you write business for? 18 A. Seven. 20 A. Seven. 20 Are you captive agents for those insurance companies? 21 A. I am not sure what you mean by captive agents.		something like that, if my memory serves me	7	A. Just with Mike Ward.Q. Who's Mike Ward?
Automobile in the federal lawsuit? Are you aware of that? 12 of that? 13 A. Yes. 14 Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? 15 A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of to you, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. 16 A. He was introduced to me by two of the producers that work here that were handling claims for AEG. 12 Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. 16 Q. About how many different insurance companies do you write business for? 18 A. Seven. 20 A. Seven. 20 A. Seven. 21 Q. Are you captive agents for those insurance companies? 22 A. I am not sure what you mean by captive agents.	8	something like that, if my memory serves me correctly.	7 8	A. Just with Mike Ward.Q. Who's Mike Ward?A. Mike Ward was the president and CEO of
A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of viore, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	8	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure	7 8 9	A. Just with Mike Ward.Q. Who's Mike Ward?A. Mike Ward was the president and CEO of AEG.
Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of 19 '07, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling 14 Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	8 9 10	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American	7 8 9	A. Just with Mike Ward.Q. Who's Mike Ward?A. Mike Ward was the president and CEO of AEG.Q. How did you meet Mr. Ward?
indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of '07, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	8 9 10 11	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware	7 8 9 10 11	 A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the
about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of 19 '07, to be specific, to take over all the 20 accounts. I believe that AEG was liquidated a 21 month before, two months before, probably a month 22 before. Sometime in July they were liquidated. There was no company, and we stopped selling 16 producers that work with McClure & Associates. Q. About how many different insurance companies for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	8 9 10 11 12	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that?	7 8 9 10 11 12	 A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims
A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of 19 '07, to be specific, to take over all the accounts. I believe that AEG was liquidated a 20 month before, two months before, probably a month before. Sometime in July they were liquidated. 21 There was no company, and we stopped selling 23 agents.	8 9 10 11 12 13	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes.	7 8 9 10 11 12 13	 A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG.
brought Dallas National on board, July 25th of 19 '07, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling 18 companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.	8 9 10 11 12 13	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had	7 8 9 10 11 12 13	 A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where?
19 '07, to be specific, to take over all the 20 accounts. I believe that AEG was liquidated a 21 month before, two months before, probably a month 22 before. Sometime in July they were liquidated. 23 There was no company, and we stopped selling 24 A. Seven. 25 Q. Are you captive agents for those insurance companies? 26 A. I am not sure what you mean by captive agents.	8 9 10 11 12 13 14 15	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until	7 8 9 10 11 12 13 14	A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent
20 accounts. I believe that AEG was liquidated a 20 Q. Are you captive agents for those 21 month before, two months before, probably a month 21 insurance companies? 22 before. Sometime in July they were liquidated. 22 A. I am not sure what you mean by captive 23 There was no company, and we stopped selling 23 agents.	8 9 10 11 12 13 14 15	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate?	7 8 9 10 11 12 13 14 15	A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates.
month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling before. Sometime in July they were liquidated. 21 insurance companies? A. I am not sure what you mean by captive agents.	8 9 10 11 12 13 14 15 16	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of	7 8 9 10 11 12 13 14 15 16	A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for?
before. Sometime in July they were liquidated. 22 A. I am not sure what you mean by captive 23 There was no company, and we stopped selling 23 agents.	8 9 10 11 12 13 14 15 16 17	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of '07, to be specific, to take over all the	7 8 9 10 11 12 13 14 15 16 17 18	A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven.
There was no company, and we stopped selling 23 agents.	8 9 10 11 12 13 14 15 16 17 18 19 20	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of '07, to be specific, to take over all the accounts. I believe that AEG was liquidated a	7 8 9 10 11 12 13 14 15 16 17 18 19 20	A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those
	8 9 10 11 12 13 14 15 16 17 18 19 20 21	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of '07, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month	7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies?
24 through AEG quite sometime before and stopped 24 Q. Are you the only agent that is allowed	8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of '07, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated.	7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive
	8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	something like that, if my memory serves me correctly. Q. I believe Are you aware that McClure has filed a counterclaim against American Automobile in the federal lawsuit? Are you aware of that? A. Yes. Q. I believe in your counterclaim you had indicated that you had sold the product up until about July of 2007. Does that sound accurate? A. No, because in July of 2007 was when we brought Dallas National on board, July 25th of '07, to be specific, to take over all the accounts. I believe that AEG was liquidated a month before, two months before, probably a month before. Sometime in July they were liquidated. There was no company, and we stopped selling	7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	A. Just with Mike Ward. Q. Who's Mike Ward? A. Mike Ward was the president and CEO of AEG. Q. How did you meet Mr. Ward? A. He was introduced to me by two of the producers that work here that were handling claims for AEG. Q. When you say "work here," where? A. They work They are independent producers that work with McClure & Associates. Q. About how many different insurance companies do you write business for? A. Seven. Q. Are you captive agents for those insurance companies? A. I am not sure what you mean by captive agents.

	Page 18	venous and	Page 20
1	to write business for that particular insurance	1	you place business with with AEG?
2	company in Illinois?	2	A. You know, I don't have the list in front
3	A. No.	3	of me. I don't know whether it was 15 or 20, 30
4	Q. Are you able to obviously then write not	4	clients. I am not sure how many.
5	only for that insurance company but the six other	5	Q. Do you have a list of those clients?
6	ones you represent?	6	A. There is a list somewhere of the exact
7	A. Yes.	7	numbers of clients, yes.
8	Q. So your agency agreements, do you have	8	Q. Who would have that list?
9	agency agreements with all of these insurers?	9	A. Barb Gast would probably have that.
10	A. Yes.	10	MR. RICE: I think we had asked for that
11	Q. These agreements are obviously to write	11	before in the course of discovery, so I will make
12	policies for other insurers also?	12	a request on the record. If you could work with
13	A. Yes.	13	Brian to try to get a copy of that list, that
14	Q. Did you have an agency agreement with	14	would be helpful.
15	AEG?	15	MR. SCOLARO: Sure.
16	A. Verbal.	16	Take a break for a second.
17	Q. Verbal agreement? Was that agreement	17	MR. RICE: Sure, no problem.
18	directly with AEG? I believe there is another	18	(Break had.)
19	company, Reinsurance Company of America. First of	19	BY MR. RICE:
20	all, was the agreement with AEG verbally?	20	Q. For purposes of our discussion here, I
21	A. Yes.	21	think in your counterclaim against American
22	Q. Did you have a separate agreement with	22	Automobile the number was 25, approximately 25, so
23	RCA?	23	we will use that figure. That certainly fits
24	A. I actually had a contract with RCA at	24	within the range you gave us.
24	A. I actually had a contract with KCA at	24	within the range you gave us.
	Page 19		Page 21
1	one point.		A. Right.
1 2	one point. Q. I think the dates we kind of talked	T 2	A. Right.Q. Let's assume for the sake of argument
1	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of	****	A. Right.Q. Let's assume for the sake of argumentit's 25 clients. It's fair to say that all 25 of
2	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window,	2	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that
2	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance?	2	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier,
2 3 4	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again.	2 3	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that
2 3 4 5	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance?	2 3 4 5	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes.
2 3 4 5 6	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again.	2 3 4 5 6	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients
2 3 4 5 6 7	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct.	2 3 4 5 6 7	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National?
2 3 4 5 6 7 8	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime	2 3 4 5 6 7 8	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent.
2 3 4 5 6 7 8	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July?	2 3 4 5 6 7 8	 A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of
2 3 4 5 6 7 8 9	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped	2 3 4 5 6 7 8 9	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas
2 3 4 5 6 7 8 9 10	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact	2 3 4 5 6 7 8 9 10	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National?
2 3 4 5 6 7 8 9 10 11	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact date, but I could find by the last account that I	2 3 4 5 6 7 8 9 10 11 12 13	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National? A. There are a couple clients that are no
2 3 4 5 6 7 8 9 10 11 12	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact date, but I could find by the last account that I wrote with them because when I did figure that I	2 3 4 5 6 7 8 9 10 11 12 13 14 15	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National? A. There are a couple clients that are no longer with Dallas National, that I know of.
2 3 4 5 6 7 8 9 10 11 12 13	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact date, but I could find by the last account that I wrote with them because when I did figure that I had a problem with AEG maybe taking money, I paid	2 3 4 5 6 7 8 9 10 11 12 13 14 15	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National? A. There are a couple clients that are no longer with Dallas National, that I know of. Q. Now, during that two-year window you
2 3 4 5 6 7 8 9 10 11 12 13 14	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact date, but I could find by the last account that I wrote with them because when I did figure that I had a problem with AEG maybe taking money, I paid \$5000 to a consultant through my law firm to get a	2 3 4 5 6 7 8 9 10 11 12 13 14 15	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National? A. There are a couple clients that are no longer with Dallas National, that I know of. Q. Now, during that two-year window you were selling AEG Insurance, did you ever sell any
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact date, but I could find by the last account that I wrote with them because when I did figure that I had a problem with AEG maybe taking money, I paid \$5000 to a consultant through my law firm to get a meeting with a director of insurance, told him	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National? A. There are a couple clients that are no longer with Dallas National, that I know of. Q. Now, during that two-year window you were selling AEG Insurance, did you ever sell any other Worker's Compensation policies offered from
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact date, but I could find by the last account that I wrote with them because when I did figure that I had a problem with AEG maybe taking money, I paid \$5000 to a consultant through my law firm to get a meeting with a director of insurance, told him that I thought we had a big problem.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National? A. There are a couple clients that are no longer with Dallas National, that I know of. Q. Now, during that two-year window you were selling AEG Insurance, did you ever sell any other Worker's Compensation policies offered from different carriers?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact date, but I could find by the last account that I wrote with them because when I did figure that I had a problem with AEG maybe taking money, I paid \$5000 to a consultant through my law firm to get a meeting with a director of insurance, told him that I thought we had a big problem. Q. Again for purposes of this discussion,	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National? A. There are a couple clients that are no longer with Dallas National, that I know of. Q. Now, during that two-year window you were selling AEG Insurance, did you ever sell any other Worker's Compensation policies offered from different carriers? A. Yes.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact date, but I could find by the last account that I wrote with them because when I did figure that I had a problem with AEG maybe taking money, I paid \$5000 to a consultant through my law firm to get a meeting with a director of insurance, told him that I thought we had a big problem. Q. Again for purposes of this discussion, I'm just going to refer to it as a two-year window	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National? A. There are a couple clients that are no longer with Dallas National, that I know of. Q. Now, during that two-year window you were selling AEG Insurance, did you ever sell any other Worker's Compensation policies offered from different carriers? A. Yes. Q. Approximately how many other carriers
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact date, but I could find by the last account that I wrote with them because when I did figure that I had a problem with AEG maybe taking money, I paid \$5000 to a consultant through my law firm to get a meeting with a director of insurance, told him that I thought we had a big problem. Q. Again for purposes of this discussion, I'm just going to refer to it as a two-year window of time that you sold insurance for them, maybe a	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National? A. There are a couple clients that are no longer with Dallas National, that I know of. Q. Now, during that two-year window you were selling AEG Insurance, did you ever sell any other Worker's Compensation policies offered from different carriers? A. Yes. Q. Approximately how many other carriers did you work with? I think you said seven offered
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact date, but I could find by the last account that I wrote with them because when I did figure that I had a problem with AEG maybe taking money, I paid \$5000 to a consultant through my law firm to get a meeting with a director of insurance, told him that I thought we had a big problem. Q. Again for purposes of this discussion, I'm just going to refer to it as a two-year window of time that you sold insurance for them, maybe a little less. I understand that. During that	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National? A. There are a couple clients that are no longer with Dallas National, that I know of. Q. Now, during that two-year window you were selling AEG Insurance, did you ever sell any other Worker's Compensation policies offered from different carriers? A. Yes. Q. Approximately how many other carriers did you work with? I think you said seven offered Worker's Comp policies?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	one point. Q. I think the dates we kind of talked about, earlier date 2005 to May-ish, June-ish of 2007. Is it fair to say that was 29-year window, approximating, that you sold AEG insurance? A. Give me the approximate window again. Q. I believe we used late 2005 is when you first started the business? A. Correct. Q. You stopped mid-2007, certainly sometime before July? A. It was before May, I think. We stopped selling for AEG, and I can't remember the exact date, but I could find by the last account that I wrote with them because when I did figure that I had a problem with AEG maybe taking money, I paid \$5000 to a consultant through my law firm to get a meeting with a director of insurance, told him that I thought we had a big problem. Q. Again for purposes of this discussion, I'm just going to refer to it as a two-year window of time that you sold insurance for them, maybe a	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	A. Right. Q. Let's assume for the sake of argument it's 25 clients. It's fair to say that all 25 of those clients' business were written during that same two-year time period we talked about earlier, correct? A. Yes. Q. Approximately how many of those clients were transferred over to Dallas National? A. 100 percent. Q. Did you know if any of those or all of those clients are still clients of Dallas National? A. There are a couple clients that are no longer with Dallas National, that I know of. Q. Now, during that two-year window you were selling AEG Insurance, did you ever sell any other Worker's Compensation policies offered from different carriers? A. Yes. Q. Approximately how many other carriers did you work with? I think you said seven offered

Page 22 Page 24 1 Q. Aside from the 25 or so clients you 1 was, I think, an A minus or an A. They had been 2 placed with AEG, did you have other clients from 2 around for 25 years, and we were familiar with McClure that placed Worker's Comp business with 3 them because we had a contract with them. With 3 4 other insurer? 4 Mike Ward he could sell some things that RCA 5 A. Yes. 5 wouldn't write for us because of his million 6 Q. Just generally, when did you decide to 6 dollars doubling the plan that he had with them. 7 place insurance with AEG perhaps versus another 7 He paid the claims; and that he had a carrier that you were also servicing? 8 8 15 percent loss ratio with them, and so we did all 9 MR. SCOLARO: Objection. Form, but you 9 the due diligence that you would on any company. 10 can answer the question if you understand it. 10 It was the first PEO that we had ever heard of, 11 BY MR. RICE: 11 but we understood the concept of reinsurance. We 12 Q. I can try to rephrase the question if 12 knew that if anything happened to AEG that RCA was 13 you would like. 13 on the policy. 14 A. Please rephrase. 1.4 Q. Did you understand RCA to be on the 15 policy after the million dollars was expended by 15 Q. If a client came to you and said, "I want to purchase Worker's Compensation insurance," 16 AEG or they would drop down to cover the AEG? 16 17 could you describe to me the process you would go 17 A. They would drop down if anything happened to AEG. That's the way that policy works. 18 by -- you would use to decide which carrier to 18 19 Q. You said at that time did you also have 19 place that business with? that contract with RCA? 20 A. We take a look at the risk. We see what 20 21 the risk tolerance was of the carriers. If it was 21 A. Yes. Q. The separate agreement between McClure 22 something that was up AEG's alley -- because 22 certain carriers have tolerance for different 23 and RCA? 23 24 A. Yes. 24 types of risks, and we place it based on the risk Page 25 Page 23 1 Q. What did that agreement entail? 1 tolerance of the carrier. 2 Q. Do you know whether AEG had a typical A. That was an agency contract direct. 2 3 type of risk that they would insure? 3 Q. So that allowed you to write business 4 for RCA directly? A. They insured tougher types of risks. 4 5 A. Yes. We had originally found RCA 5 Q. By "tougher" what do you mean? 6 A. We insured taxi cabs in the City of 6 through a MGA, managing general agent, named Chicago. We insured fire districts. We still 7 7 American Patriot. They are a large writer of 8 have those programs. They are very profitable. 8 roofing business, and the now president of that 9 organization, Mike Shook, came in, one of our 9 Q. When you were introduced to AEG back in 10 agents brought him in, and he told us that he 10 late 2005, did you perform any investigation into 11 the company generally just to learn about them? 11 represented a market that could write tougher 12 classes of business, so we started writing through 12 A. Yes, we did. 13 O. What type of investigation did you do? 13 them. 14 14 A. First thing we did we asked for a copy Ultimately within maybe six or seven of their agreement with RCA. We found out that 15 months RCA closed that agency down. RCA came to 15 16 RCA was the reinsurance carrier. We saw that 16 us because we had the most profitable business that we had written in Illinois and asked us if we 17 they had a million dollar deductible. They paid 17 18 18 wanted to have a contract, and we said yes. So the first million dollars. We contacted the Department of 19 we developed a contract with them at that time. 19 20 Q. So your relationship with RCA was 20 Insurance. We asked them if AEG had ever been in 21 trouble with the Department of Insurance as a 21 separate and distinct prior to learning about AEG's business? 22 licensed PEO for not paying claims. 22 23 We looked at the Reinsurance 23 A. Exactly. 24 Corporation of America rating and found that it 24 Q. So it was just by happenstance that RCA

Page 26 Page 28 1 actually reinsured AEG at the time you learned 1 A. No. about AEG? 2 2 Q. You had indicated that AEG was your 3 A. That's how we first heard of the 3 first experience with the PEO? 4 whole -- right. Ward happened in here. Two of 4 A. Yes. 5 the guys that used to work for Freemont Insurance 5 Q. None of the other insurance companies 6 Company who had been in claims who are producers 6 you currently work for are PEOs, correct? 7 now were handling claims. They had Mike Ward as a 7 8 risk manager of a large staffing company that they 8 Q. When you sold insurance to any of the 25 9 wanted to quote on when warned them that he owned 9 clients through AEG, were they aware this was a 10 this PEO. He was a consultant in the staffing 10 PEO or traditional insurance company? 11 company. If they would handle some claims, he 11 A. Yes, except the State of Illinois allows 12 would get involved in, quote, that insurance and 12 for a PEO to sell just single line items. They 13 that was how Mike Ward even got in the door. 13 can break out Worker's Compensation, so while they 14 Ultimately it was everyone coming to me saying 14 were familiar with it, PEO through RCA, RCA was 15 Mike said he could do it, so I sat down and 15 the carrier. It was a stand alone Worker's 16 listened to what he had to say. 16 Compensation program with their own certificates 17 17 Q. I think you had mentioned that one of directly from RCA, so RCA was the carrier. 18 your agents had introduced you to RCA? 18 Q. I am going to show you what's been 19 19 A. Yes, one of the agents had introduced us marked as Exhibit No. 1 for your deposition. If 20 to Mike Shook, the MGA, who ultimately represented 20 you take a second just to flip through that, do 21 RCA in Illinois, and so we would go through 21 you recognize that document? 22 American Patriot to place insurance, and we did 22 A. No. 23 place insurance through that MGA. We didn't do it 23 Q. If you take a look at Pages 8 and 10 of 24 the actual document, not the numbers in the bottom directly at first. 24 Page 27 Page 29 right-hand corner, is that your signature on those 1 Q. How many agents would you say you work 1 2 with to solicit business for McClure? 2 documents? 3 A. Yes. 3 A. Seven. Q. Where are those agents located? Are 4 4 Q. I believe this to be the agency 5 5 agreement you were referring to between McClure & they all over? 6 A. Right here. 6 Associates and American Automobile Insurance 7 Q. When you say "right here," they are 7 Company of America. Do you believe that to be 8 physically out of this office? 8 true? 9 9 A. Uh-huh. A. Yes. It looks like the agency 10 Q. They are not employees of McClure & 10 agreement. 11 Associates? 11 Q. We had talked previously McClure & Associates written as an agency that agreement 12 A. No. 12 13 Q. You have separate agreements with each 13 with RCA. Is this that agreement? 14 one of them? 14 MR. SCOLARO: It calls for a legal 15 A. Yes. 15 conclusion. To the extent he has to read through 16 Q. Are those written contract agreements? 16 the whole thing and see if, in fact, it's the same 17 A. Yes. 17 one that was his, but he can answer to the extent Q. Are those renewed annually, or are they 18 18 he recognizes it as that document. 19 just ongoing until you terminate them? 19 THE WITNESS: What was the question? 20 A. Ongoing until terminate, either way. 20 BY MR. RICE: 21 Q. Do those agents exclusively work with 21 Q. I am just curious to know whether this 22 McClure & Associates? 22 is the agreement you were referring to earlier 23 23 between McClure & Associates and RCA? A. No. 24 Q. So they don't work with any brokers? 24 A. It looks like it.

1 O. Can McClure & Associates execute any other agreements with RCA other than the one you had mentioned before? 4 A. No. 5 Q. Is this agreement still in effect between McClure & Associates and RCA? 7 A. No. 9 When did you determine that? 1 A. No. 1 Q. When did you determine that? 1 A. No. 1 Q. When did you determine that? 2 A. Before. 1 Q. Was it after the AEG liquidation? 2 A. Before. 3 Q. Vou dorft have the physical books themselves? 4 A. No. 9 Was it after the AEG liquidation? 1 Insurance? 4 A. No. 9 A. Correct. 9 Q. You dorft have the physical books themselves? 1 A. No. 9 Would you have checked that rating in the strength of the physical books themselves? 1 A. No. 9 Would you have checked that rating in the strength of the physical books themselves? 1 A. No. 1 Q. Would you have checked that rating in the strength of the physical books themselves? 2 A. No. 9 Would you have checked that rating in the strength of the physical books themselves? 2 A. No. 9 Would you have checked that rating in the strength of the physical books themselves? 2 A. No. 9 Would you have checked that rating in the strength of the physical books themselves? 2 A. No. 9 Would you have checked that rating in the strength of the physical books themselves? 4 A. Ineverterminated or unstand the question, go ahead and panswer. 9 A. Wed the devent you would have checked RCA's rating prior to selling any AEG insurance? 1 A. Wed the devent would have checked RCA's rating prior to selling any AEG insurance? 1 A. Yes. 9 Q. So just I am clear, you would have checked RCA's rating during the course of that two-year period you were selling AEG insurance? 1 A. I don't continually check any carrier's rating. 1 A. I don't continually check any carrier's rating. 9 Q. Do you know why they did that? 1 A. I don't continually check any carrier's rating. 1 A. I don't continually check any carrier's rating. 2 A. I checked several times, but I don't essentially do it on a habitual basis. 9 Q. Do you do it once a year?	1	Page 30		Page 32
cher agreements with RCA other than the one you had mentioned before? 4 A. No. 5 Q. Is this agreement still in effect between McClure & Associates and RCA? 7 A. No. 8 Q. When did you determine that? 8 Q. Would you determine that? 9 A. Correct. 10 Q. Was it after the AEG liquidation? 11 dissurance? 12 A. Before. 13 Q. Would you have checked that rating in surance? 14 mR. RCOLARO: Objection. Form. To the extent you understand the question, go ahead and anawer. 15 MR. RCCE: I haven't even finished my question. 16 extent you understand the question, go ahead and anawer. 17 mR. RCCLARO: I thought you were done. 18 MR. RICE: I was trying to look for the words. 19 MR. RICE: I was trying to look for the words. 21 MR. RICE: 22 Q. Are you still selling AEG insurance 33 after you terminated your relationship with RCA? 4 A. I never terminated my association with RCA? 4 A. They were in a lawsuit with AEG, they told me. 10 MR. CA. 11 Told me. 12 Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their produets? 12 A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. 13 A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. 14 A. No. 15 Q. Did you do in did that in this instance? 16 A. No. 17 A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. 18 Q. You indicated that when you're 19 A. Yes. 20 Q. Because AEG was a PEO; they have A best rating? 21 A. Yes. 22 Q. Wher would you store that rating printout? 22 Q. Where would you store that rating printout? 23 Q. Where would you store that rating printout? 24 A. I rever terminate the relationship with you had anything to do with what McClure & A. I checked several times, but I don't essentially do in an ababitual basis. 24 A. I checked several times, but I don't essentia		•	1	
had mentioned before? A. No. Q. Is this agreement still in effect between McCture & Associates and RCA? A. No. Q. When did you terminate your relationship with RCA? A. No. Q. When did you terminate your relationship with RCA? A. By looking at the internet and looking at Best. Q. So you used Best Internet Guide? A. Correct. Q. Vou don't have the physical books themselves? A. Before. Q. Would you have checked that rating in patential insurer? A. No. MR. SCOLARO: Objection. Form. To the extent you understand the question, go ahead and answer. MR. RCE: I haven't even finished my question. MR. RCE: I thaven't even finished my question. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. MR. RCE: I was trying to look for the words. A. I never terminated your relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Do you have checked that arting in at Best. A. Word did hefore, you would have checked the first time at the inception of you were selling AEG insurance? A. We did before, yes, before we ever started selling, yes. Q. Did you continually check RCA's rating that words are selling AEG insurance? A. I don't continually check any carrier's rating. A. I don't continually check any carrier's rating. A. I don't continually check any carrier's rating. A. I don't continually c	2	· · · · · · · · · · · · · · · · · · ·	į.	_
4 A. No. 5 Q. Is this agreement still in effect between McClure & Associates and RCA? 7 A. No. 9 Q. When did you terminate your relationship with RCA? 10 A. Idon't recall when. 11 Interest of the ween in a lawsuit vith AEG, they 12 A. Before. 13 Q. At any point were you selling AEG 14 insurance? 15 MR. SCOLARO: Objection. Form. To the 16 extent you understand the question, go ahead and 17 answer. 18 MR. RICE: I haven't even finished my 19 question. 19 MR. RICE: I was trying to look for the 20 MR. SCOLARO: All right. 21 MR. SCOLARO: All right. 22 MR. RICE: 23 MR. SCOLARO: All right. 24 MR. SCOLARO: All right. 25 MR. RICE: 26 Q. Did RCA terminate the relationship with 27 McClure & Associates? 28 A. Yes, they did. 29 Q. Did they give you any indication that 19 their decision to terminate the relationship with 20 A. They were in a lawsuit with AEG, they 21 told me. 22 Q. Did they give you any indication that 23 their decision to terminate the relationship with 24 you had anything to do with what McClure & 25 Associates was doing with respect to their 26 products? 27 A. No. 28 Q. Because AEG was a PEO; they have A best 29 Tating? 20 Q. You indicated that when you're 21 A. Pes. 22 Q. Where would you store that rating 2a themselves? 2b. A. No. 2c. So you used Best Internet Guide? 2c. A. No. 2c. So you used Best Internet Guide? 2d. A. No. 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. O. Would you have checked that rating in 2d. No. (2d. O. Wo	1		1	
5 Q. Is this agreement still in effect 6 between McClare & Associates and RCA? 7 A. No. 8 Q. When did you terminate your relationship with RCA? 9 with RCA? 10 A. I don't recall when. 11 Q. Was it after the AEG liquidation? 12 A. Before. 13 Q. At any point were you selling AEG 14 insurance? 15 MR. SCOLARO: Objection. Form. To the extent you understand the question, go ahead and answer. 16 extent you understand the question, go ahead and answer. 17 answer words. 18 MR. RICE: I haven't even finished my 19 question. 20 MR. SCOLARO: I thought you were done. 21 MR. RICE: I was trying to look for the words. 22 words. 23 MR. SCOLARO: All right. 24 Page 31 1 BY MR. RICE: 2 Q. Are you still selling AEG insurance after you terminated your relationship with McClure & Associates? 3 A. I never terminated my association with McClure & Associates? 4 A. They were in a lawsuit with AEG, they told me. 2 Q. Did RCA terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? 4 A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. 4 Q. You indicated that when you're 4 A. O. O. 20 Q. You indicated that when you're 5 Q. O. You indicated that when you're 5 Q. Where would you store that rating prior to selling and the internet and looking at the plays call search and premised when a leg and premised when a leg and premised whene. 5 Q. Did wou do that and the internet and looking at the subsc	1			
between McClure & Associates and RCA? A. No. Q. When did you terminate your relationship with RCA? A. I don't recall when. Q. Was it after the AEG liquidation? Liquidation and the question and the question, go ahead and answer. RMR. RICE: I haven't even finished my question. RMR. SCOLARO: I thought you were done. RMR. RICE: I was trying to look for the words. RMR. RICE: I was trying to look for the RY and R. RICE: RY A. I don't reminated my association with RCA? A. I never terminated my association with McClure & Associates was doing with respect to their products? RY A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. De acuse AEG was a PEO; they have A best rating? Q. When did you terminated pour relationship with AEG over coverage and premiums. Q. When did you terminated my association with facility and premiums. Q. Did you continually check any carrier's rating was. Q. So you used Best Internet Guide? A. Correct. Q. You don't have the physical books themselves? A. No. Q. Would you have checked that rating in 2005, late 2005, when AEG was presented to you as a potential insurer? A. No. Q. Would you have checked that rating in 2005, late 2005, when AEG was presented to you as a potential insurer? A. We did before, yes, before we ever satted selling, yes. Q. So just 1 am clear, you would have checked RCA's rating during the course of that two-year period you were selling AEG insurance? A. Yes. Q. Did you continually check any carrier's rating. A. I don't continually check any carrier's rating. A. I don't continually check any carrier's rating. A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it on a habitual basis. Q. Do you do it on a habitual basis. Q. When our insured's asking me what our rating was. Q. When our insured's asking me what our rating was. Q. Do you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Where would you store				
7 A. No. 8 Q. When did you terminate your relationship with RCA? 10 A. I don't recall when. 11 Q. Was it after the AEG liquidation? 12 A. Before. 13 Q. At any point were you selling AEG 14 insurance? 15 MR. SCOLARO: Objection. Form. To the extent you understand the question, go ahead and answer. 16 extent you understand the question, go ahead and answer. 17 answer. 18 MR. RICE: I haven't even finished my question. 20 MR. SCOLARO: I thought you were done. MR. RICE: I was trying to look for the words. 21 MR. SCOLARO: All right. 22 words. 23 MR. SCOLARO: All right. 24 Page 31 1 BY MR. RICE: 2 Q. Are you still selling AEG insurance 3 after you terminated your relationship with McCA? 4 A. I never terminated my association with SRCA. 6 Q. Did RCA terminate the relationship with McChure & Associates? 8 A. Yes, they did. 9 Q. Do you know why they did that? 10 A. They were in a lawsuit with AEG, they told me. 11 D. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? 10 A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. 20 Q. Because AEG was a PEO; they have A best rating? 21 A. No. 22 Q. Vou don't have the physical books themselves? 22 A. No. 23 Q. Would you have checked that rating in themselves? 24 A. Ne do Weld before, yes, before we ever started selling, yes. 26 Q. So just I am clear, you would have checked RCA's rating during the course of that two-year period you were selling AEG insurance? 29 Q. Did you continually check any carrier's rating. 30 Q. So is it fair to say that you checked the rating in products? 31 A. I don't continually check any carrier's rating. 32 Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? 31 A. I checked several times, but I don't exentially do it on a habitual basis. 32 Q. Do you do it once a year? 33 A. Yes, 10 Do you print off the ratin	ł		9	Ţ.
So you used Best Internet Guide?	1			
with RCA? A. I don't recall when. Q. Was it after the AEG liquidation? A. Before. Q. At any point were you selling AEG insurance? MR. SCOLARO: Objection. Form. To the extent you understand the question, go ahead and answer. MR. RICE: I haven't even finished my question. MR. SCOLARO: I thought you were done. MR. SCOLARO: I thought you were done. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. SCOLARO: All right. Page 31 BY MR. RICE: Q. Are you still selling AEG insurance A. I never terminated my association with McClure & Associates? A. Yes, they did. Q. Did drot a habitual basis. A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? A. No. A. No. Q. Would'us whave the physical books themselves? A. No. Q. Would you have checked that rating in 20, Would you shave checked parable to you as a potential insurer? A. We did before, yes, before we ever started selling, yes. Q. So just I am clear, you would have checked RCA's rating prior to selling any AEG insurance? A. Yes. Q. Did you continually check RCA's rating during the course of that two-year period you were selling AEG insurance? Page 31 A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the training the selling AEG insurance? Page 33 A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. No. Q. What would provoke you to check it? A. No. Q. Do you print off the rating when you checked? A. No. Q. Do you print off the rating when you checked? A. Yes. Q. Where would you store that rating printout?				
A. I don't recall when. Q. Was it after the AEG liquidation? 11 A. Before. Q. Was it after the AEG liquidation? 12 A. Before. 13 Q. At any point were you selling AEG 13 Q. Would you have checked that rating in 14 insurance? 15 MR. SCOLARO: Objection. Form. To the 16 extent you understand the question, go ahead and 17 answer. 18 MR. RICE: I haven't even finished my 19 question. 20 MR. SCOLARO: I thought you were done. 21 MR. RICE: I was trying to look for the 22 words. 23 MR. SCOLARO: All right. 24 24 25 26 27 A. Yes. 25 MR. RICE: 2	Í			
11				
12 A. Before. Q. At any point were you selling AEG insurance? MR. SCOLARO: Objection. Form. To the extent you understand the question, go ahead and answer. MR. RICE: I haven't even finished my question. MR. RICE: I haven't even finished my question. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. Page 31 Page 31 Page 31 A. Yes. Q. Did you continually check RCA's rating during the course of that two-year period you were selling AEG insurance? A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the trimally do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured? A. No. Q. Do you print off the rating when you checked? A. No. Q. Do you print off the rating when you checked? A. No. Q. Do you print off the rating when you checked? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes.			o action	
Q. At any point were you selling AEG insurance? MR. SCOLARO: I thought you were done. MR. SCOLARO: I thought you were done. MR. RICE: I was trying to look for the words. MR. SCOLARO: All right. Page 31 BY MR. RICE: Q. Are you still selling AEG insurance after you terminated my association with KCA? A. I never terminated my association with KCA: A. Yes, they did. Q. Did RCA terminate the relationship with AEG. A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. Because AEG was a PEO; they have A best rating? Q. You indicated that when you're 13 Wedi debfore, yes, before we ever started selling, yes. Q. So just I am clear, you would have checked RCA's rating print to selling any AEG insurance? A. Yes. Q. Did you continually check RCA's rating dring the course of that two-year period you were selling AEG insurance? A. I don't continually check any carrier's rating. A. I don't continually check any carrier's rating. A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. A. No. Q. Do you print off the rating when you checked? A. No. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A.			-	
14 insurance? MR. SCOLARO: Objection. Form. To the extent you understand the question, go ahead and and answer. MR. RICE: I haven't even finished my question. MR. SCOLARO: I thought you were done. MR. RICE: I was trying to look for the words. MR. RICE: I was trying to look for the words. MR. SCOLARO: All right. Page 31 BY MR. RICE: Q. Are you still selling AEG insurance after you terminated my association with RCA? A. I never terminated my association with RCA? MCLure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with the their decision to terminate the rel				
MR. SCOLARO: Objection. Form. To the extent you understand the question, go ahead and answer. MR. RICE: I haven't even finished my question. MR. RICE: I thought you were done. MR. RICE: I was trying to look for the words. MR. SCOLARO: All right. Page 31 BY MR. SCOLARO: All right. Page 31 BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. A. I never terminated my association with MCLure & Associates? A. Yes, they did. Q. Did RCA terminate the relationship with their decision to terminate the relationship with their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. Because AEG was a PEO; they have A best rating? Q. You indicated that when you're and premiums. a potential insurer? A. We did before, yes, before we ever started selling, yes. A. We did before, yes, before we ever started selling, yes. A. We did before, yes, before we ever started selling, yes. A. We did before, yes, before we ever started selling, yes. Q. So just I am clear, you would have checked RCA's rating prior to selling any AEG insurance? A. Yes. Q. Did you continually check RCA's rating during the course of that two-year period you were selling AEG insurance? A. I don't continually check any carrier's rating: A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. No. Q. Did you obthat in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Where would you		· · · · · · · · · · · · · · · · · · ·		
16 extent you understand the question, go ahead and answer. 17	I		2500	The state of the s
17 answer. 18 MR. RICE: I haven't even finished my question. 19 question. MR. SCOLARO: I thought you were done. 20 MR. SCOLARO: I thought you were done. 21 MR. RICE: I was trying to look for the words. 22 words. 23 MR. SCOLARO: All right. 24 25 Q. Did you continually check RCA's rating during the course of that two-year period you were selling AEG insurance? 25 Q. Are you still selling AEG insurance after you terminated your relationship with SRCA. 26 Q. Did RCA terminate the relationship with RCA? 27 A. Thever terminated my association with McClure & Associates? 28 A. Yes, they did. 29 Q. Do you know why they did that? 20 Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? 20 Q. Because AEG was a PEO; they have A best rating? 31 AR. I don't continually check any carrier's rating. 32 A. I don't continually check any carrier's rating. 33 Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? 4 A. I checked several times, but I don't the relationship with the first time at the inception of your selling these insurance policies? 4 A. They were in a lawsuit with AEG, they 10 A. They were in a lawsuit with AEG, they 10 A. They were in with AEG to with what McClure & 12 A. When our insured's asking me what our rating was. 4 Q. Did they give you any indication that 12 A. When our insured's asking me what our rating was. 5 Q. Do you boy uprint off the rating when you check? 6 A. No. 7 Q. Do you print off the rating when you check? 8 A. No. 9 Q. Because AEG was a PEO; they have A best 12 A. Yes. 9 Q. Where would you store that rating printout?	1		1	-
18 MR. RICE: I haven't even finished my question. 20 MR. SCOLARO: I thought you were done. 21 MR. RICE: I was trying to look for the words. 22 words. 23 MR. SCOLARO: All right. 24 Page 31 25 Page 31 26 Page 31 27 Page 31 28 PY MR. RICE: 29 Q. Are you still selling AEG insurance 30 after you terminated my association with SRCA. 4 A. I never terminated my association with SRCA. 5 RCA. 6 Q. Did RCA terminate the relationship with RCA? 7 McClure & Associates? 8 A. Yes, they did. 9 Q. Do you know why they did that? 10 A. They were in a lawsuit with AEG, they told me. 11 their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? 10 A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. 20 Q. Because AEG was a PEO; they have A best rating? 21 A. Yes. 22 Q. Did you continually check RCA's rating during the course of that two-year period you were selling AEG insurance? 22 A. No. 23 during the course of that two-year period you were selling AEG insurance? 24 selling AEG insurance? 25 A. I don't continually check any carrier's rating. 26 A. I checked several times, but I don't essentially do it on a habitual basis. 27 A. From time to time. We might do it twice a year. 28 A. Ves. 29 Q. What would provoke you to check it? 29 A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. 20 Q. Because AEG was a PEO; they have A best rating? 21 A. Yes. 22 A. No. 23 Q. Where would you store that rating printout?	ŀ		Į.	
19 question. MR. SCOLARO: I thought you were done. 21 MR. RICE: I was trying to look for the 22 words. 23 MR. SCOLARO: All right. 24 26 27 Words. 25 MR. SCOLARO: All right. 26 MR. SCOLARO: All right. 27 MR. SCOLARO: All right. 28 MR. SCOLARO: All right. 29 Page 31 20 Page 31 21 BY MR. RICE: 20 Are you still selling AEG insurance 31 after you terminated your relationship with FRCA? 41 A. I never terminated my association with FRCA? 42 A. I never terminate the relationship with FRCA? 43 A. Yes, they did. 44 McClure & Associates? 45 A. Yes, they did. 46 Q. Did RCA terminate the relationship with FRCA? 47 A. They were in a lawsuit with AEG, they told me. 48 A. Yes, they did. 49 Q. Do you know why they did that? 40 A. They were in a lawsuit with AEG, they told me. 40 Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? 40 A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. 41 Q. Because AEG was a PEO; they have A best rating? 42 A. No. 43 Q. You indicated that when you're 44 the first time at the inception of your selling these insurance policies? 45 A. I checked several times, but I don't essentially do it on a habitual basis. 46 Q. Do you know why they did that? 47 A. When our insured's asking me what our rating was. 48 Q. Uit's not as though every six months to check just to check? 49 A. No. 40 Do you print off the rating when you check? 40 A. Yes. 41 Q. Did you do that in this instance? 41 A. Yes. 42 A. Yes. 42 A. Yes. 43 Q. Did you do that in this instance? 44 A. Yes. 45 A. Yes. 46 Q. Did you do that in this instance? 47 A. Yes. 48 A. Yes. 49 Q. Where would you store that rating printout?			Į.	- -
MR. SCOLARO: I thought you were done. MR. RICE: I was trying to look for the words. MR. SCOLARO: All right. Page 31 BY MR. SCOLARO: All right. Page 31 BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. Do you indicated that when you're MR. RICE: I was trying to look for the 21 A. Yes. Q. Did you continually check RCA's rating during the course of that two-year period you were selling AEG insurance? A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check; ust to check? A. No. Q. Do you print off the rating when you checked the first time at the inception of your selling. A. I don't continually check any carrier's rating. Q. Do you set fair to say that you checked the first time at the inception of your selling. A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. When our insured's asking me what our rating was. Q. Do you print off the rating when you checked the first time at the inception of your selling these insurance policies? A. No. Q. Do you do it once a year? Q. Do you follow	1	•	i.	
MR. RICE: I was trying to look for the words. MR. SCOLARO: All right. Page 31 Page 31 Page 33 Page 33 A. Yes. Q. Did you continually check RCA's rating during the course of that two-year period you were selling AEG insurance? Page 31 A. I don't continually check any carrier's rating. A. I never terminated your relationship with RCA? A. I never terminated my association with RCA. A. I never terminated my association with RCA. A. Yes, they did. Q. Did RCA terminate the relationship with RCA? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. Because AEG was a PEO; they have A best rating? A. No. Q. You indicated that when you're A. No. Q. Where would you store that rating printout?	I	-		
22 words. 23 MR. SCOLARO: All right. 24 Selling AEG insurance? Page 31 Page 33 1 BY MR. RICE: 2 Q. Are you still selling AEG insurance 3 after you terminated your relationship with RCA? 4 A. I never terminated my association with 5 RCA. 6 Q. Did RCA terminate the relationship with 7 McClure & Associates? 8 A. Yes, they did. 9 Q. Do you know why they did that? 10 A. They were in a lawsuit with AEG, they 11 told me. 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 products? 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage and premiums. 20 Q. Because AEG was a PEO; they have A best rating? 21 A. No. 22 Q. Where would you store that rating 23 during the course of that two-year period you were selling during the course of that two-year period you were selling AEG insurance? Page 31 A. I don't continually check any carrier's rating. A. I checked several times, but I don't essentially do it on a habitual basis. A. Prom time to time. We might do it twice a year. A. When our insured's asking me what our rati	1			
23 MR. SCOLARO: All right. 24 selling AEG insurance? Page 31 Page 33 1 BY MR. RICE: 2 Q. Are you still selling AEG insurance 3 after you terminated your relationship with RCA? 4 A. I never terminated my association with 5 RCA. 6 Q. Did RCA terminate the relationship with 7 McClure & Associates? 8 A. Yes, they did. 9 Q. Do you know why they did that? 9 Q. Do you know why they did that? 10 A. They were in a lawsuit with AEG, they 11 told me. 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 products? 17 A. I don't continually check any carrier's rating. 3 Q. So is it fair to say that you checked 4 the first time at the inception of your selling these insurance policies? 6 A. I checked several times, but I don't ressentially do it on a habitual basis. 9 Q. Do you do it once a year? 9 A. From time to time. We might do it twice a year. 11 Q. What would provoke you to check it? 12 A. When our insured's asking me what our rating was. 13 Yes, 14 Q. It's not as though every six months to check just to check? 15 Associates was doing with respect to their 16 products? 16 A. No. 17 Q. Do you print off the rating when you check? 18 A. Yes. 19 Q. Do you print off the rating when you check? 20 Q. Did you do that in this instance? 21 A. Yes. 22 Q. Where would you store that rating printout?	l		340	
Page 31 BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with RCA: A. Yes, they did. Q. Do you know why they did that? Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & 15 Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. Because AEG was a PEO; they have A best rating? Q. You indicated that when you're Page 33 A. I don't continually check any carrier's rating. A. I don't continually check any carrier's A. I checked several times, but I don't essentially do it on a habitual basis. A. C ha. I checked several times, but I don't essentially do it on a habitual bacies. A. I checked several times, but I	l		Į.	· · · · · · · · · · · · · · · · · · ·
Page 31 BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. G. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. Because AEG was a PEO; they have A best rating? A. I don't continually check any carrier's rating. A. I don't essentially do it on a habitual basis. A. I checked several times, but I don't essentially do it on a habitual basis. A. From time to time. We might do it twice a year. A. From time to time. We might do it twice as year. A. When our insured's asking me what our rating was. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check just to check? A. No. Q. Do you print off the rating when you checked Check just to check? A. No. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Where would you store that rating printout?	1	MR. SCOLARO: All right.		
1 BY MR. RICE: 2 Q. Are you still selling AEG insurance 3 after you terminated your relationship with RCA? 4 A. I never terminated my association with 5 RCA. 6 Q. Did RCA terminate the relationship with 7 McClure & Associates? 8 A. Yes, they did. 9 Q. Do you know why they did that? 10 A. They were in a lawsuit with AEG, they 11 told me. 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 products? 17 A. I don't continually check any carrier's 18 Q. So is it fair to say that you checked 19 the first time at the inception of your selling 19 these insurance policies? 10 A. I checked several times, but I don't 10 essentially do it on a habitual basis. 10 Q. Do you do it once a year? 11 Q. What would provoke you to check it? 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 products? 16 A. No. 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage 19 and premiums. 10 Q. Because AEG was a PEO; they have A best 11 rating? 12 A. Yes. 13 Q. So is it fair to say that you checked 14 the first time at the inception of your selling 14 the first time at the inception of your selling 14 these insurance policies? 14 A. I checked several times, but I don't 14 essentially do it on a habitual basis. 18 Q. Do you do it once a year? 19 A. When our insured's asking me what our 13 rating was. 14 Q. It's not as though every six months to check just to check? 15 A. No. 16 A. No. 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage 19 and premiums. 19 A. Yes. 20 Q. Because AEG was a PEO; they have A best 21 rating? 22 A. No. 23 Q. Where would you store that rating 24 printout?	24		24	selling AEG insurance?
2 Q. Are you still selling AEG insurance 3 after you terminated your relationship with RCA? 4 A. I never terminated my association with 5 RCA. 6 Q. Did RCA terminate the relationship with 7 McClure & Associates? 8 A. Yes, they did. 9 Q. Do you know why they did that? 10 A. They were in a lawsuit with AEG, they 11 told me. 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 Products? 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage and premiums. 20 Q. Because AEG was a PEO; they have A best rating? 21 A. No. 22 A. No. 23 Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. 10 Q. What would provoke you to check it? A. When our insured's asking me what our rating was. 12 Q. It's not as though every six months to check just to check? A. No. Q. Do you print off the rating when you check? A. No. Q. Do you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Where would you store that rating printout?	1	Dago 21	1	
after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Do you know why they did that? Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. You indicated that when you're 3 Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check; just to check? A. No. Q. Do you print off the rating when you check? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Where would you store that rating printout?		rage 31	r confession from the	Page 33
4 A. I never terminated my association with 5 RCA. 6 Q. Did RCA terminate the relationship with 7 McClure & Associates? 8 A. Yes, they did. 9 Q. Do you know why they did that? 10 A. They were in a lawsuit with AEG, they 11 told me. 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 products? 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage 19 and premiums. 20 Q. Because AEG was a PEO; they have A best 21 rating? 22 A. No. 23 Q. Did RCA terminate the relationship with 25 these insurance policies? A. I checked several times, but I don't 26 essentially do it on a habitual basis. A. I checked several times, but I don't 27 essentially do it on a habitual basis. A. From time to time. We might do it twice a year. 10 a year. 11 Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check just to check? A. No. Q. Do you print off the rating when you check? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Where would you store that rating printout?	1		1	_
5 RCA. 6 Q. Did RCA terminate the relationship with 7 McClure & Associates? 8 A. Yes, they did. 9 Q. Do you know why they did that? 10 A. They were in a lawsuit with AEG, they 11 told me. 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 products? 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage 19 and premiums. 20 Q. Because AEG was a PEO; they have A best 21 rating? 22 A. No. 23 Q. You indicated that when you're 25 these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? P. A. I checked several times, but I don't essentially do it on a habitual basis. A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? P. A. From time to time. We might do it twice a year. 10 a year. 11 Q. What would provoke you to check it? A. When our insured's asking me what our rating was. 14 Q. It's not as though every six months to check just to check? A. No. P. Do you print off the rating when you check? A. Yes. Q. Do you do it once a year? P. A. From time to time. We might do it twice a year. 12 A. When our insured's asking me what our rating was. 13 A. We not a sthough every six months to check; A. No. Q. Do you print off the rating when you check? A. No. Q. Do you print off the rating when you check? A. No. Q. Did you do that in this instance? A. Yes. Q. Where would you store that rating printout?	1	BY MR. RICE:	E .	A. I don't continually check any carrier's
G. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. G. Do you know why they did that? G. Do you know why they did that? G. Do you know why they did that? G. Do you do it once a year? A. From time to time. We might do it twice a year. A. They were in a lawsuit with AEG, they G. Did they give you any indication that G. Did they give you any indication that G. When our insured's asking me what our rating was. G. Did they give you any indication that G. When our insured's asking me what our rating was. G. It's not as though every six months to check just to check? G. Do you print off the rating when you check? A. No. G. Do you print off the rating when you check? G. Do you print off the rating when you check? G. Do you print off the rating when you check? G. Do you do it once a year? A. From time to time. We might do it twice a year. G. What would provoke you to check it? A. When our insured's asking me what our rating was. G. It's not as though every six months to check just to check? A. No. G. Do you print off the rating when you check? A. Yes. G. Do you do that in this instance? A. Yes. G. Did you do that in this instance? A. Yes. G. Where would you store that rating printout?	2	BY MR. RICE: Q. Are you still selling AEG insurance	2	A. I don't continually check any carrier's rating.
7 McClure & Associates? 8 A. Yes, they did. 9 Q. Do you know why they did that? 10 A. They were in a lawsuit with AEG, they 11 told me. 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 products? 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage 19 and premiums. 20 Q. Because AEG was a PEO; they have A best 21 rating? 22 A. No. 23 Q. You indicated that when you're 24 remarks a pear. 25 Prom time to time. We might do it twice a year? A. From time to time. We might do it twice a year? A. From time to time. We might do it twice a year? A. From time to time. We might do it twice a year? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check just to check? A. No. Q. Do you print off the rating when you check? A. Yes. Q. Do you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Where would you store that rating printout?	2 3	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA?	2 3	A. I don't continually check any carrier's rating.Q. So is it fair to say that you checked
8 A. Yes, they did. 9 Q. Do you know why they did that? 10 A. They were in a lawsuit with AEG, they 11 told me. 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 products? 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage 19 and premiums. 20 Q. Because AEG was a PEO; they have A best 21 rating? 22 A. No. 23 Q. You indicated that when you're 24 Po you do it once a year? 26 A. From time to time. We might do it twice a year. 27 A. From time to time. We might do it twice a year. 28 Q. What would provoke you to check it? A. When our insured's asking me what our a rating was. 4 Q. It's not as though every six months to check just to check? 4 A. No. 4 Po you print off the rating when you 4 Check? 4 A. Yes. 4 Q. Did you do that in this instance? 4 A. Yes. 4 Q. Did you do that in this instance? 4 A. Yes. 4 Q. Did you do that in this instance? 4 A. Yes. 4 Q. Did you do that in this instance? 4 Q. Where would you store that rating 4 Printout?	2 3 4	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with	2 3 4	 A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling
9 Q. Do you know why they did that? 10 A. They were in a lawsuit with AEG, they 11 told me. 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 products? 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage 19 and premiums. 20 Q. Because AEG was a PEO; they have A best 21 rating? 22 A. No. 23 Q. You indicated that when you're 24 A. From time to time. We might do it twice a year. 10 a year. 11 Q. What would provoke you to check it? A. When our insured's asking me what our rating was. 12 A. When our insured's asking me what our rating was. 13 rating was. 14 Q. It's not as though every six months to check just to check? 16 A. No. 17 A. No. 18 legal battle they were in with AEG over coverage 19 and premiums. 20 Q. Do you print off the rating when you check? 21 rating? 22 A. Yes. 23 Q. Where would you store that rating printout?	2 3 4 5	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA.	2 3 4 5	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies?
10 A. They were in a lawsuit with AEG, they 11 told me. 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 products? 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage 19 and premiums. 19 A. Yes. 20 Q. Because AEG was a PEO; they have A best 21 rating? 22 A. No. 23 Q. You indicated that when you're 20 What would provoke you to check it? 20 A. When our insured's asking me what our rating was. 21 A. When our insured's asking me what our rating was. 21 A. When our insured's asking me what our rating was. 21 A. When our insured's asking me what our rating was. 24 Q. It's not as though every six months to check just to check? 25 A. No. 26 A. No. 27 A. No. 28 Q. Do you print off the rating when you check? 29 A. Yes. 20 Q. Did you do that in this instance? 20 A. Yes. 21 A. Yes. 22 Q. Where would you store that rating printout?	2 3 4 5 6	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with	2 3 4 5 6	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't
11 told me. 12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 15 Associates was doing with respect to their 16 products? 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage 19 and premiums. 19 A. Yes. 20 Q. Because AEG was a PEO; they have A best 21 rating? 22 A. No. 23 Q. You indicated that when you're 21 printout? 21 Q. What would provoke you to check it? A. When our insured's asking me what our rating was. 14 Q. It's not as though every six months to check; 15 check just to check? 16 A. No. 17 Q. Do you print off the rating when you check it? 18 check? 19 A. Yes. 20 Q. Did you do that in this instance? 21 A. Yes. 22 Q. Where would you store that rating printout?	2 3 4 5 6 7	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates?	2 3 4 5 6 7	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis.
Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Sassociates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. It's not as though every six months to check just to check? A. No. Q. Do you print off the rating when you check? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Where would you store that rating printout?	2 3 4 5 6 7 8	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did.	2 3 4 5 6 7 8	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year?
12 Q. Did they give you any indication that 13 their decision to terminate the relationship with 14 you had anything to do with what McClure & 14 Q. It's not as though every six months to 15 Associates was doing with respect to their 16 products? 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage 19 and premiums. 19 A. Yes. 20 Q. Because AEG was a PEO; they have A best 21 rating? 22 A. No. 23 Q. You indicated that when you're 24 A. When our insured's asking me what our 13 rating was. 14 Q. It's not as though every six months to 15 check just to check? 15 A. No. 20 Q. Do you print off the rating when you 21 check? 22 A. Yes. 23 Q. Did you do that in this instance? 24 A. Yes. 25 Q. Where would you store that rating 26 Printout?	2 3 4 5 6 7 8	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that?	2 3 4 5 6 7 8 9	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice
their decision to terminate the relationship with you had anything to do with what McClure & 14	2 3 4 5 6 7 8 9	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they	2 3 4 5 6 7 8 9	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year.
14you had anything to do with what McClure &14Q. It's not as though every six months to15Associates was doing with respect to their15check just to check?16products?16A. No.17A. No. They said it all had to do with the17Q. Do you print off the rating when you18legal battle they were in with AEG over coverage18check?19and premiums.19A. Yes.20Q. Because AEG was a PEO; they have A best20Q. Did you do that in this instance?21rating?21A. Yes.22A. No.22Q. Where would you store that rating23Q. You indicated that when you're23printout?	2 3 4 5 6 7 8 9 10	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me.	2 3 4 5 6 7 8 9 10	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it?
Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. Do you print off the rating when you the check? A. Yes. Q. Because AEG was a PEO; they have A best rating? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Where would you store that rating printout?	2 3 4 5 6 7 8 9 10 11	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that	2 3 4 5 6 7 8 9 10 11	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our
16 products? 17 A. No. They said it all had to do with the 18 legal battle they were in with AEG over coverage 19 and premiums. 20 Q. Because AEG was a PEO; they have A best 21 rating? 22 A. No. 23 Q. You indicated that when you're 24 A. No. 25 Products? 26 A. No. 27 Q. Do you print off the rating when you check? 27 A. Yes. 28 Q. Did you do that in this instance? 29 Q. Where would you store that rating printout?	2 3 4 5 6 7 8 9 10 11 12	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with	2 3 4 5 6 7 8 9 10 11 12 13	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was.
A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. Do you print off the rating when you the check? A. Yes. Q. Because AEG was a PEO; they have A best rating? A. Yes. A. Yes. A. Yes. Q. Did you do that in this instance? A. Yes. Q. Where would you store that rating printout?	2 3 4 5 6 7 8 9 10 11 12 13	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure &	2 3 4 5 6 7 8 9 10 11 12 13 14	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to
18legal battle they were in with AEG over coverage18check?19and premiums.19A. Yes.20Q. Because AEG was a PEO; they have A best20Q. Did you do that in this instance?21rating?21A. Yes.22A. No.22Q. Where would you store that rating23Q. You indicated that when you're23printout?	2 3 4 5 6 7 8 9 10 11 12 13 14	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their	2 3 4 5 6 7 8 9 10 11 12 13 14 15	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check just to check?
and premiums. Q. Because AEG was a PEO; they have A best rating? A. Yes. Q. Did you do that in this instance? A. Yes. A. Yes. A. Yes. Q. Where would you store that rating printout?	2 3 4 5 6 7 8 9 10 11 12 13 14 15	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check just to check? A. No.
Q. Because AEG was a PEO; they have A best 20 Q. Did you do that in this instance? 21 rating? 21 A. Yes. 22 A. No. 22 Q. Where would you store that rating 23 Q. You indicated that when you're 23 printout?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check just to check? A. No. Q. Do you print off the rating when you
21rating?21A. Yes.22A. No.22Q. Where would you store that rating23Q. You indicated that when you're23printout?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check just to check? A. No. Q. Do you print off the rating when you check?
A. No. 22 Q. Where would you store that rating 23 Q. You indicated that when you're 22 Q. where would you store that rating 23 printout?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check just to check? A. No. Q. Do you print off the rating when you check? A. Yes.
Q. You indicated that when you're 23 printout?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. Because AEG was a PEO; they have A best	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check just to check? A. No. Q. Do you print off the rating when you check? A. Yes. Q. Did you do that in this instance?
	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. Because AEG was a PEO; they have A best rating?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check just to check? A. No. Q. Do you print off the rating when you check? A. Yes. Q. Did you do that in this instance? A. Yes.
24 investigating AEG, you did locate RCA AM best 24 A. We would give it to the insured.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	BY MR. RICE: Q. Are you still selling AEG insurance after you terminated your relationship with RCA? A. I never terminated my association with RCA. Q. Did RCA terminate the relationship with McClure & Associates? A. Yes, they did. Q. Do you know why they did that? A. They were in a lawsuit with AEG, they told me. Q. Did they give you any indication that their decision to terminate the relationship with you had anything to do with what McClure & Associates was doing with respect to their products? A. No. They said it all had to do with the legal battle they were in with AEG over coverage and premiums. Q. Because AEG was a PEO; they have A best rating? A. No.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	A. I don't continually check any carrier's rating. Q. So is it fair to say that you checked the first time at the inception of your selling these insurance policies? A. I checked several times, but I don't essentially do it on a habitual basis. Q. Do you do it once a year? A. From time to time. We might do it twice a year. Q. What would provoke you to check it? A. When our insured's asking me what our rating was. Q. It's not as though every six months to check just to check? A. No. Q. Do you print off the rating when you check? A. Yes. Q. Did you do that in this instance? A. Yes. Q. Where would you store that rating

İ			
	Page 34	panels and other sections of	Page 36
1	Q. Do each of the 25 clients that you place	1	A. Typically we don't keep that information
2	the AEG Strike that.	2	because it changes.
3	Does McClure keep a file for each of	3	Q. What do you mean by "it changes"?
4	its clients?	4	A. The claims loss runs.
5	A. Yes.	5	Q. So if
6	Q. Is that also true for the 25 clients you	6	A. Claims are handled by insurance
7	placed with AEG?	7	carriers.
8	A. Yes.	8	Q. If someone were to report a claim, is it
9	Q. Do you still have those files?	9	possible that they might call McClure & Associates
10	A. I would guess.	10	first?
11	Q. Is that something you can check?	11	A. Yes.
12	A. I would have to see if they were purged	12	Q. If that would happen, what would you do?
13	by our office manager or not back in '05. I	13	A. Report it to the carrier.
14	don't know.	14	Q. Then would it be the intention that the
15	Q. Are any of the 25 clients that you	15	carrier would pick up from that point and handle
16	placed with AEG still clients of the company?	16	the administration of the claims?
17	A. Yes.	17	A. Depends. Administering the claim.
18	Q. Do clients have one file per client or	18	Q. Did you, McClure & Associates,
19	multiple files depending on what types of	19	administer a lot of claims back in 2005 through
20	insurance they have?	20	2007?
21	A. Multiple files for each year for each	21	A. McClure & Associates never has
22	line of coverage.	22	administered a claim.
23	Q. What is your document retention policy?	23	Q. Do you do that today?
24	A. Typically, four years.	24	A. McClure & Associates doesn't do that.
1			
	Page 35	A complete c	Page 37
1	•	1	Page 37 Q. Who does?
1 2	Q. Do you have one in writing, or is it	1 2	
1	•		Q. Who does?
2	Q. Do you have one in writing, or is it your document retention program in writing?	2	Q. Who does? A. Brimar.
2 3	Q. Do you have one in writing, or is it your document retention program in writing?A. No.Q. To the extent that all of the 25 clients	2 3	Q. Who does?A. Brimar.Q. Do you know whether Brimar maintains
2 3 4	Q. Do you have one in writing, or is it your document retention program in writing?A. No.	2 3 4	Q. Who does?A. Brimar.Q. Do you know whether Brimar maintains claims information for claims made by McClure &
2 3 4 5	 Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you 	2 3 4 5	Q. Who does?A. Brimar.Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients?
2 3 4 5 6	 Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or 	2 3 4 5 6	Q. Who does?A. Brimar.Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients?A. What dates?
2 3 4 5 6 7	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other?	2 3 4 5 6 7	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently.
2 3 4 5 6 7 8	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct.	2 3 4 5 6 7 8	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or
2 3 4 5 6 7 8	 Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not 	2 3 4 5 6 7 8 9	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company?
2 3 4 5 6 7 8 9	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file?	2 3 4 5 6 7 8 9	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations
2 3 4 5 6 7 8 9 10	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right.	2 3 4 5 6 7 8 9 10	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for
2 3 4 5 6 7 8 9 10 11	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right. Q. Do you keep any electronic copies of	2 3 4 5 6 7 8 9 10 11	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for a claim for an insurance company?
2 3 4 5 6 7 8 9 10 11 12	 Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right. Q. Do you keep any electronic copies of your files? 	2 3 4 5 6 7 8 9 10 11 12 13	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for a claim for an insurance company? A. Yes.
2 3 4 5 6 7 8 9 10 11 12 13	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right. Q. Do you keep any electronic copies of your files? A. No.	2 3 4 5 6 7 8 9 10 11 12 13	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for a claim for an insurance company? A. Yes. Q. Are there certain carriers that Brimar
2 3 4 5 6 7 8 9 10 11 12 13 14	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right. Q. Do you keep any electronic copies of your files? A. No. Q. Is any portion of the file kept	2 3 4 5 6 7 8 9 10 11 12 13 14 15	Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for a claim for an insurance company? A. Yes. Q. Are there certain carriers that Brimar simply is a conduit between McClure & Associates
2 3 4 5 6 7 8 9 10 11 12 13 14 15	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right. Q. Do you keep any electronic copies of your files? A. No. Q. Is any portion of the file kept electronically?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for a claim for an insurance company? A. Yes. Q. Are there certain carriers that Brimar simply is a conduit between McClure & Associates and the insurer?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right. Q. Do you keep any electronic copies of your files? A. No. Q. Is any portion of the file kept electronically? A. No, other than billing.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for a claim for an insurance company? A. Yes. Q. Are there certain carriers that Brimar simply is a conduit between McClure & Associates and the insurer? A. Yes. Q. In those latter instances the insurance company would administer the claim?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right. Q. Do you keep any electronic copies of your files? A. No. Q. Is any portion of the file kept electronically? A. No, other than billing. Q. What goes into a client's file here at	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for a claim for an insurance company? A. Yes. Q. Are there certain carriers that Brimar simply is a conduit between McClure & Associates and the insurer? A. Yes. Q. In those latter instances the insurance
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right. Q. Do you keep any electronic copies of your files? A. No. Q. Is any portion of the file kept electronically? A. No, other than billing. Q. What goes into a client's file here at McClure & Associates? A. Typically policies, underwriting. Q. How about correspondences between the	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for a claim for an insurance company? A. Yes. Q. Are there certain carriers that Brimar simply is a conduit between McClure & Associates and the insurer? A. Yes. Q. In those latter instances the insurance company would administer the claim? A. Correct. Q. In those instances where Brimar is
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right. Q. Do you keep any electronic copies of your files? A. No. Q. Is any portion of the file kept electronically? A. No, other than billing. Q. What goes into a client's file here at McClure & Associates? A. Typically policies, underwriting. Q. How about correspondences between the client and McClure & Associates?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for a claim for an insurance company? A. Yes. Q. Are there certain carriers that Brimar simply is a conduit between McClure & Associates and the insurer? A. Yes. Q. In those latter instances the insurance company would administer the claim? A. Correct. Q. In those instances where Brimar is acting as the claims administrator, do you believe
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right. Q. Do you keep any electronic copies of your files? A. No. Q. Is any portion of the file kept electronically? A. No, other than billing. Q. What goes into a client's file here at McClure & Associates? A. Typically policies, underwriting. Q. How about correspondences between the client and McClure & Associates? A. If it's pertinent. Additions, deletions.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for a claim for an insurance company? A. Yes. Q. Are there certain carriers that Brimar simply is a conduit between McClure & Associates and the insurer? A. Yes. Q. In those latter instances the insurance company would administer the claim? A. Correct. Q. In those instances where Brimar is
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Q. Do you have one in writing, or is it your document retention program in writing? A. No. Q. To the extent that all of the 25 clients that you placed with AEG are still clients, you will have a file for them in some capacity or other? A. Correct. Q. It becomes a matter of whether or not the information back in 2005 is still in the file? A. Right. Q. Do you keep any electronic copies of your files? A. No. Q. Is any portion of the file kept electronically? A. No, other than billing. Q. What goes into a client's file here at McClure & Associates? A. Typically policies, underwriting. Q. How about correspondences between the client and McClure & Associates?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 Q. Who does? A. Brimar. Q. Do you know whether Brimar maintains claims information for claims made by McClure & Associates clients? A. What dates? Q. Well, currently. A. If it's controlled by Brimar or controlled by the insurance company? Q. We will do both. Are there situations where Brimar acts as the claims administrator for a claim for an insurance company? A. Yes. Q. Are there certain carriers that Brimar simply is a conduit between McClure & Associates and the insurer? A. Yes. Q. In those latter instances the insurance company would administer the claim? A. Correct. Q. In those instances where Brimar is acting as the claims administrator, do you believe

	Page 38		Page 40
1	Q. Do you believe that that was the policy	1	Q. Could you describe to me what you
2	back in 2005 through 2007?	1 2	learned back then?
3	A. Yes.	3	A. There was an investigator that came in
4	Q. Did Brimar act as a claims administrator	4	from the Department of Insurance Consultant, and
5	for claims made involving AEG insurance policies?	5	he was taking a look at RCA.
6	A. Yes.	6	Q. What was he investigating or she
7	Q. Do you believe that they maintain claims	7	investigating?
8	files for those claims?	8	A. He was investigating James Kernan, the
9	A. Yes.	9	President and CEO of RCA.
10	Q. Do you have copies of their claims	10	Q. Did you have a discussion with the
11	files?	11	investigator about RCA?
12	A. Yes.	12	A. Tried to.
13	Q. Are those stored here at your office?	13	Q. What do you mean you "tried to"?
14	A. Yes.	14	A. He wasn't too cooperative. He was more
15	Q. Because AEG was a PEO did you ever	15	interested in gaining information.
16	expect the Illinois Guarantee Fund would step in	16	Q. So he asked a lot of questions but
17	in the event AEG became insolvent?	17	wouldn't give a lot of answers, is that fair?
18	A. Yes.	18	A. Correct.
19	Q. Why do you believe that?	19	Q. Did the investigator come here just that
20	A. RCA is a licensed carrier in good	20	one time?
21	standing with the State of Illinois.	21	A. Yes.
22	Q. You believe that the Guaranteed Fund	22	Q. Do you recall when approximately that
23	would step in despite the fact that AEG was	23	was?
24	responsible for the first million dollars of	24	A. It was in '07. I contacted my
Constituent and Constituent Co	Page 39		Page 41
,		-	•
1 2	coverage directly? A. Absolutely.	1 2	attorney. He came in. Took over from there.
3	Q. Have you ever spoke to the Guarantee	3	Q. When the investigator came to your office and advised you that they were
4	Fund about these claims?	4	investigating RCA, why did that concern you with
5	A. Not personally.	5	respect to AEG?
6	Q. Has the guaranteed fund ever written you	6	A. Because he told us that there was
7	any correspondence to indicate that they do not	7	potential for fraud between RCA and a number of
8	insure or will not step down in light of the AEG	8	companies that they had sold deductible policies
9	insolvency?	9	or alleged they they sold deductible policies that
10	A. I don't recall receiving anything from	10	they hadn't filed for.
11	the Guarantee Fund.	11	Q. Your concern was AEG may fall into that
12	Q. Do you know whether AEG participated in	12	category of policies that were assumed in this
13	the Guarantee Fund?	13	potential fraud?
14	A. I don't know.	14	A. Yes.
15	Q. Did you ever investigate that?	15	Q. Again, do you recall approximately the
16	A. I never thought about it.	16	month?
17	Q. Do you know whether RCA participated in	17	A. Sometime in '07.
18	the Guarantee Fund?	18	Q. First half of '07?
19	A. Yes, they do.	19	A. First half of '07.
20	Q. We talked back I think you had	20	Q. Are you aware that the Department of
21	mentioned again May, June of '07 you became aware	21	Insurance had issued a cease and desist order with
22	that there was a big problem with AEG, correct?	22	respect to the placement of insurance with AEG?
23	A. Uh-huh. Actually, it wasn't with AEG.	23	A. They did that directly gave it
ı		1	
24	It was RCA.	24	directly to me. I actually was instrumental in

Page 42 Page 44 1 getting that done because I brought that to the 1 A. Correct. 2 Department of Insurance's attention when I found 2 Q. Would that list also contain when those 3 out that there was a problem potentially with RCA. 3 policies were issued? 4 Q. I believe that order was entered on July 4 A. Yes. 5th of 2007. Does that sound accurate to you? 5 5 Q. I am showing you what's been marked as 6 A. Yes. 6 Exhibit 2 for your deposition. Could you take a 7 Q. Is it fair to say that the investigator 7 moment to look that over? 8 you spoke about or spoke with concerning RCA, that 8 A. Uh-huh. 9 conversation took place before the cease and 9 Q. Let me know when you're finished. Do 10 desist order was entered? 10 you recognize this letter? 11 A. Months before. 11 A. Yes. 12 Q. So going back to the question of when 12 Q. Did you receive this letter? 13 did that investigator come out and speak with you, 13 A. Yes. 14 it's probably sometime in May and June of '07? Q. When approximately did you receive it? 14 15 MR. SCOLARO: Objection. Asked and 15 A. I don't recall. 16 answered, but to the extent --Q. Do you recognize the signature at the 16 17 THE WITNESS: Sometime in the first half 17 bottom of the letter? 18 of the year. It was months before because -- and 18 A. It says Michael Ward, but I don't know 19 the reason I have told you that, I didn't pay -- I 19 if that's his signature or not because I don't 20 stopped writing insurance with AEG because I set 20 know what his signature looks like. 21 the meeting with the Department of Insurance to Q. I notice this letter isn't addressed or 21 22 tell them that I thought there was a problem, and 22 dated. Do you know whom this letter was sent to? 23 then we ended up keeping \$1.3 million in the A. No. 23 24 premium trust fund, not sending the money out. 24 Q. You do know, however, you got a copy of Page 43 Page 45 1 The statement the Department of 1 it? 2 Insurance was telling us to use some of those 2 A. I don't know if I did or didn't. 3 funds to pay the claims, ongoing claims, that we 3 Q. So you don't have any idea what time 4 had. Inside all of this -- I can't remember the frame you would have received it? 4 5 5 time frames -- but the Department of Insurance was A. No. 6 well aware of what was going on. They knew we had 6 Q. Of the 25 clients you placed AEG 7 the money. They would approve payments to 7 insurance with, approximately how many have 8 claimant's ongoing until they stopped that and 8 submitted claims to McClure & Associates for 9 said hold the money, and then they took the money 9 Worker's Comp benefits? 10 after the liquidation. 10 A. My guess is probably all 25. 11 BY MR. RICE: Q. So all 25, to the best of your 11 12 Q. From the time in which you met with the 12 knowledge, have submitted a claim because one of 13 investigator until the time the cease and desist 13 their employees has been injured? 14 order was entered, did you issue any AEG insurance 14 MR. SCOLARO: Objection. Asked and 15 policies during that time period? 15 answered, but to the extent you know the answer to 16 MR. GORBOLD: Could I hear that question the question, you may answer it. 16 17 again? 17 THE WITNESS: You know, I don't have 18 (Record read.) 18 that information in front of me, so I really can't 19 THE WITNESS: To the best of my 19 say; but, you know, typically there might be one 20 knowledge, no. 20 or two accounts that don't have any claims at all, 21 BY MR. RICE: 21 maybe three -- I don't know -- but the majority of 22 Q. I believe you indicate earlier that you 22 clients have claims. 23 have or could create a list of clients whom you 23 BY MR. MCCLURE: 24 issued AEG insurance with, correct? 24 Q. Because McClure & Associates does not

	Page 46		Page 48
1	administer those claims, do you have any records	1	made. The only thing we talk about are loss
2	of them here at your office?	2	ratio premium to claims.
3	MR. SCOLARO: Objection. Form, but to	3	Q. Did any of your clients ever contact
4	the extent you understand what "them" means, you	4	McClure & Associates to report a claim? In that
5	can answer the question.	5	event did you just transfer to Brimar?
6	THE WITNESS: Why don't you ask in a	6	A. Well, they didn't contact me, but they
7	way	7	would have called our number and probably would
8	BY MR. RICE:	8	have been transferred to Brimar, yes.
9	Q. I can rephrase the question. You had	9	Q. How many employees does Brimar have?
10	mentioned that McClure & Associates does not	10	A. The claim, three that I do.
11	administer claims, correct?	11	Q. In addition to the three staff members
12	A. Correct.	12	that you share, do they have anybody else working
13	Q. Do you have copies of any claims files	13	for them besides Mr. Ciarrachi?
14	relating to any of these claims made by these 25	14	A. There are some producers that
15	clients for Worker's Comp claims?	15	administered claims for AEG for a fee per claim,
16	A. Brimar does.	16	and they worked on Brimar's behalf as independent
17	Q. You also have a copy of Brimar files?	17	contractors.
18	A. No.	18	Q. Did you have any involvement in the
19	Q. You do not?	19	decision to pay claims directly for AEG insureds?
20	A. I don't keep copies of Brimar files.	20	MR. SCOLARO: Objection. Foundation,
21	Brimar keeps copies of those files.	21	but to the extent you understand the question, you
22	Q. I thought you had said earlier Brimar	22	may answer it.
23	A. Involve claim files? They are in this	23	THE WITNESS: Can you repeat the
24	office, but those are Brimar claims files.	24	question.
2 T		21	
	Page 47	_	Page 49
1	Q. Brimar shares an office with you?	1	BY MR. RICE:
2	A. Yes.	2	Q. Sure. You said that you were not
3	Q. They share the same 2067 or 2077?	3	involved or McClure & Associates was not involved
4	A. I don't know what they are 2067.	4	in the claims process for AEG, correct?
5	Q. They share the same address?	5	A. Correct.
6	A. Same address.	6	Q. Did you have any involvement in the
7	Q. Do you recall when the first claim was	7	decision to pay claims directly for claims made by
8	ever made by a claimant	8	insureds that had AEG insurance?
9	A. No.	9	A. When?
10	Q involving when the first claim was	10	Q. From 2005 to 2007.
11	ever made by one of the 25 clients relating to an	11	A. As a claims administrator? Mike Ward
12	AEG policy?	12	hired Brimar to handle his claims. He didn't
13	A. No.	13	hire McClure & Associates. He hired Brimar, so
14	Q. Would Brimar have that information?	14	that was a relationship between AEG and Brimar.
15	A. They would have the claims files. I	15	It had nothing to do with me.
16	don't know if they would list when the first claim	16	Q. Is that also true post 2007 to the
17	happened is.	17	present?
18	Q. When the first claim was made, whenever	18	A. Explain that to me.
19	it was made, did you have a discussion with anyone	19	Q. My question to you is
20	from Brimar about that claim?	20	MR. SCOLARO: After his question I
	A. I didn't discuss claims with Brimar.	21	would like to take a break.
21		1	DILL M DICT
21 22	Q. Did Brimar make you aware that a claim	22	BY MR. RICE:
21		22 23 24	BY MR. RICE: Q. We are going to get into it in a little bit. I think you had mentioned it already that

Page 50 Page 52 1 some of the premium money, the \$1.3 million had 1 that we had for our clients that we had an 2 been used to pay claims directly to people who had 2 agreement from them not to pay AEG. The 3 AEG insurance, is that correct? 3 Department of Insurance directed me what to do. 4 A. Correct. 4 Don't pay AEG. AEG at the same time was 5 Q. All I want to know is now did you have 5 threatening to cancel insurance on \$6 million 6 any involvement in the decision to pay claims? 6 worth of business, and the Department of Insurance 7 A. To mitigate the damages, yes. 7 was apprised of that. Everything was going on 8 MR. SCOLARO: Can I take a quick break. 8 because there had to be a solution for where that 9 MR. RICE: Sure. 9 insurance would go. 10 (Break had.) 10 Q. You have indicated you had approximately 11 BY MR. RICE: 11 \$1.3 million of client premium trust money, 12 Q. You had indicated before we want on a 12 correct? 13 break that you had been involved in some of the 13 A. Yes, that we had held. 14 decision making in terms of payments of some of Q. Did you hold that because of the AEG 14 these claims made by AEG insureds, is that 15 15 investigation or --16 correct? 16 A. Because the Department of Insurance was 17 A. Yes. 17 trying to figure a way out of taking care of this 18 Q. When checks or money was ever paid, were 18 entire problem that they had been investigating 19 those funds paid by McClure & Associates or 19 with AEG and RCA. 20 Brimar? 20 Q. I am showing you what's been marked as 21 A. They were paid by McClure & Associates 21 Group 3 for your deposition. Take a moment just 22 or Ciarrachi. 22 to flip through those and review them and let me 23 Q. The partnership? 23 know when you have had a chance to look through 24 24 A. Correct. This is post AEG liquidation. them. Page 51 Page 53 1 Q. Do you know whether any claims were paid 1 A. Okay. 2 directly by McClure and Ciarrachi prior to AEG 2 Q. Do you recognize these documents? 3 liquidation? 3 A. Yes. 4 MR. SCOLARO: Objection. Foundation. 4 Q. What are they? 5 McClure & Ciarrachi, but to the extent you 5 A. Claim documents into the liquidator. 6 understand the question, you can answer it. 6 Q. Who would have prepared these documents? 7 7 THE WITNESS: McClure & Ciarrachi didn't A. I'm not sure if the producers prepared 8 pay any claims prior to inability to pay out of 8 them or who prepared them. 9 9 the premium trust fund money that we have of our Q. If it wasn't the producers, who else 10 clients. 10 would it have been? 11 BY MR. RICE: A. Directly from the insureds. 11 12 Q. Did Brimar make any payments prior to 12 Q. I notice that on some of these 13 AEG's inability to make the payments directly? 13 documents -- some of these pages of Group Exhibit 14 A. AEG would give Brimar -- they were 14 3 in the middle there is an amount of a claim. 15 funding the accounts to pay the claims, so Brimar Do you see that, middle right of the page? There 15 16 never paid a claim that wasn't paid by AEG. AEG is a box that has some handwritten notes in them? 16 17 would fund those accounts. 17 A. Yes. 18 Q. It was not until AEG was liquidated that 18 Q. On some of the pages they will show an 19 a decision had to be made how was the money going 19 amount and then paid or no claim made. Do you 20 to be paid or where was money going to come from? see what I'm referring to? 20 21 A. It was prior to liquidation. It was 21 A. Yes. 22 22 when AEG stopped funding the accounts, and I went Q. Do you know who would have paid those 23 to the Department of Insurance and asked them for 23 sums that are identified on these pages of Group 24 the ability to pay claims based on the revenues 24 Exhibit 3?

		/. <u></u>	
	Page 54		Page 56
1	A. Possibly us. Possibly the insured.	1	signed anywhere. This isn't an official form, so
2	Q. When you say "us," who do you mean?	2	I have all the official forms of everything that's
3	A. Possibly Brimar or McClure & Ciarrachi,	3	gone into the liquidator, and I have signed every
4	either, or the insured if these were deductible	4	form because I paid for those claims.
5	amounts.	5	Q. So just so I understand correctly, you
6	Q. If you made these payments, you meaning	6	have forms that are somewhat similar to these
7	McClure Brimar	7	documents in Group Exhibit 3, but they have
8	A. McClure and Ciarrachi.	8	certainly been authorized or signed by you and
9	Q do you have a way to keep track of	9	they may contain slightly different information?
10	the amounts you paid?	10	A. They contain a lot of different
11	A. Yes.	11	information, and they are not only signed by me,
12	Q. Do you currently have a total of the	12	but it has all the documentation, supporting
13	amounts you've paid?	13	documents.
14	A. I could total it.	14	Q. So medical records, whatever you need to
15	Q. How is that information stored?	15	make the claim?
16	A. Checkbook register.	16	A. Everything that's needed to make a claim
17	Q. So is that something you would be able	17	has been given to the liquidator.
18	to gather and give to your attorney if I requested	18	Q. Who would have that information now?
19	it?	19	A. My attorney.
20	A. Yes.	20	Q. When these forms in Group Exhibit 3 were
21	Q. If McClure and Ciarrachi did not make	21	submitted to you or Brimar, who would be
22	these payments, who else would have made them?	22	responsible for going through the paperwork to
23	A. The insured.	23	insure that these claims to determine whether
24	Can I ask a question of my attorney	24	these claims should, in fact, be paid?
	Page 55		Page 57
1	here?	1	MR. SCOLARO: Objection. Foundation.
2	Q. Sure.	2	But to the extent that that question reflects what
3	MR. SCOLARO: Off the record.	3	occurred, you may answer it.
4	(Break had.)	4	THE WITNESS: Could you rephrase that
5	MR. SCOLARO: I think my client We	5	question?
6	would like to clarify an answer. I think if the	6	BY MR. RICE:
7	court reporter could the court reporter read it	7	Q. Sure. It sounded like to me I may
8	back, please.	8	have misunderstood what you said earlier these
9	(Record read.)	9	forms would have been submitted to either Brimar
10	MR. SCOLARO: If could you read back	10	or
11	that question, my client would like to clarify his	11	A. They were submitted to McClure &
12	answer to that. Go ahead.	12	Associates.
13	(Record read.)	13	Q. Then McClure & Associates would have to
14	BY MR. RICE:	14	verify the information in these forms along with
15	Q. Who would have prepared these documents?	15	the accompanying documentation, is that correct?
16	A. I don't know who prepared these	16	A. Correct.
17	documents. Every document that was given to the	17	Q. Then once you had verified that the
18	liquidator was signed by me, prepared by our	18	information you needed for the claim was there,
19	producers based on the claims dollars that were	19	you would authorize these to be sent back to the
20	paid on each claim. These particular forms	20	liquidator, correct?
21	looked like they were sent out by the liquidator	21	A. The first thing that happened to even
22	directly to the insureds, and the insureds would	22	get these sent in was that claims had to be paid,
1		1	
23	have filled this amount out directly, but these are not the official forms because nothing is	23 24	and the first thing I did was I hired Austin Resolutions to negotiate all of the outstanding

Page 58

medical bills.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

4

5

7

14

Austin Resolutions out of Texas closed out the outstanding medical probably at twenty-five cents on the dollar for probably 90 percent of the medical, outstanding medical, on the hundreds of claims that we had.

When Austin Resolutions would come back with a signed contract, that contract was allowing us to go back to the liquidator and collect -- I had to have a signature for both, you know, for this payment of dollars they agreed to allow. I think it's Brimar to go back and go to the liquidator for the money that they had been paid or a percentage of, and so the only forms that have been sent in are forms that have been completed, claims closed, and it doesn't represent all of the payments that we have made because any payments that have been made through --

We have hired law firms to represent clients and to close cases at the Commission. We have paid for legal. We have paid for settlements outside of anything that we have turned into the liquidator.

Q. Based on what you have just told me, a

Page 60

- 1 mitigate the exposure, to help cut the damages, to
- 2 help take care of the insureds that needed
- 3 coverage. American Automobile Insurance responded
- 4 zero, zero.

5

6

7

8

9

12

13

14

15

16

17

18

19

20

21

22

23

24

1

2

3

4

6

7

8

14

15

17

18

19

20

21

22

23

24

I had exposure, one case, one trial case that I sent in to my carrier to actually see if they would respond, Genie; and you know what happened? I got sued on an account that I said I will pay the \$23,000 judgment that was given to me

when I was under an order to cease and desist. I couldn't respond to anybody.

The attorney went back there and got that hit with penalties for \$100-some thousand of which he is still trying to get, and suing my insured; so, yeah, I have made decisions, lots of decisions because I have no one to help me mitigate.

I have taken the claims and mitigated the exposure beyond the millions that I would have had a plethora of lawsuits against me had I not taken action; so, yes, you're the first person from American Automobile Insurance that's come in here, and you're taking my deposition, and no one showed up. I have asked them many times to come

Page 59

Page 61

- 1 lot has gone into the post AEG liquidation
- 2 handling and administration of claims that you
- 3 have obviously been involved in that process; is
 - that fair to say?
 - A. Yes.
- 6 Q. That's fair?
 - A. Yes.
- 8 Q. Because this is only a small portion of
- 9 the business you do on a day-to-day basis, have
- you set up internally here within McClure &
- 11 Associates or Brimar a way to help facilitate that
- sliver of your business in terms of handling and
- processing these claims?
 - A. No.
- Q. I should say obviously the reason why these questions are relevant for purposes of this
- these questions are relevant for purposes of this discussion is you're obviously trying to collect
- money from American Automobile to help reimburse
- 19 for payments you have made to these claimants, is
- 20 that correct?
- A. You're the first person from American
- 22 Automobile to show up. I asked American
- 23 Automobile to show up two years ago to come in and
- take a look at all of these claims to help to

- in here and take a look at these claims files.
- Q. Okay. I appreciate your statements.
- I will ask my question again. You are looking to
- recover money in this lawsuit for money that
- 5 either McClure & Ciarrachi or Brimar has paid out
 - directly to the claimants, correct?
 - A. Yes. That plus punitive damages by the time I get done.
 - time I get done.
- 9 Q. What I'm asking you is: Is there a way 10 personally within McClure & Associates and Brimar 11 to calculate the amount of money that was paid out
- 12 directly to claimants?
- 13 A. Absolutely.
 - Q. Have you given that information to your attorney?
- A. Not the total amount yet.
 - Q. That is something you could calculate, correct?
 - A. I could calculate that it's still ongoing.
 - Q. I am going to ask on the record. I know we asked it in discovery.

MR. SCOLARO: I think that part of my client's point is that even when the first

Page 62 Page 64 1 discovery was issued, that figure changes and can 1 participate in this. When was the first time that 2 change at any time. To the extent that we have 2 you made American Automobile aware of this 3 that current information, sure, it can be 3 problem? 4 provided. 4 A. As soon as I hired a law firm I had them 5 MR. RICE: I also believe that we had 5 contact the claims division, David Perlmeter 6 asked a list of the claimants because again one of 6 (phonetic), the adjudicator. He would have that 7 the purposes of the discovery was to assess the 7 in his file. That would have been in '07. 8 amount of outstanding money that was paid to 8 Q. Was there any period of time that 9 9 justify one the amounts that's claimed in the McClure & Associates and/or Brimar elected to try 10 counterclaim; and, 2, the documentation to support 10 to handle the problem before notifying American 11 it so that we can obviously assess the risk; and, 11 Automobile? 12 2, know when these claims were made, when they 12 MR. SCOLARO: Objection. Foundation as 13 were paid, and obviously that's part of the entire 13 to the term handle but --14 issue in the lawsuit, so to the extent that 14 THE WITNESS: What? What do you mean by 15 documents have not been produced that were either 15 handle? 16 responsive to the -- again, I already heard about 16 BY MR. RICE: 17 claims documents that Brimar may have. They have 17 Q. You became aware in late 2005 that there 18 made copies. 18 may be a problem with either RCA and AEG, correct? 19 THE WITNESS: We had 15 boxes of claims. 19 A. Uh-huh. 20 Anyone is welcome to come in here and take a look, 20 Q. Did you immediately notify American 21 but I am not going to copy all that. 21 Automobile about that problem? 22 MR. SCOLARO: To the extent that there 22 A. I had my attorneys notify them very 23 was responsive documents at the time you issued 23 close to the claim that we became aware and put 24 24 the request to produce, we have turned over them on notice. Page 63 Page 65 1 everything we have; however, this has been 1 Q. Who was your attorney at that time? 2 ongoing, obviously, with the liquidator, anything 2 A. Childress Duffy and Goldblatt. I 3 of that nature. 3 believe Kathleen Detrick was the person who first 4 Have there been more concrete 4 was involved in that. 5 production since that time? Perhaps we will 5 Q. Did you have any direct contact with 6 perhaps take a second look, supplement responses 6 either Mr. Perlmeter or AEG directly? 7 that we can give you guys. That's something we 7 A. Yes. 8 are happy to take a second look at. 8 Q. Was that before or after you fired 9 9 MR. RICE: My concern is we are not Kathleen Detrick at Childress and Duffy? 10 going to address maybe some of these documents. I 10 A. After. 11 just want to reserve for the record my right if I 11 Q. So is it fair to say that the first 12 have to redepose somebody in the case because 12 notice that was given to American Automobile on documents come up that have not supplemented, so I 13 13 behalf of McClure & Associates would have come 14 am reserving my right to do that. I am not 14 from Childress & Duffy? 15 suggesting that anything hasn't been turned over; 15 A. Probably came from me, through my 16 that sounds to me out there that I haven't seen. 16 attorneys. I am not sure who was involved. I 17 We can talk about whether or not those are 17 just know that I had conversations with David 18 responsive or not. That's all I am saying for 18 Perlmeyer. 19 purposes of the record. 19 Q. But you believe that to be post your --20 MR. SCOLARO: Fair. 20 after Childress and Duffy? 21 BY MR. RICE: 21 A. I scheduled Childress & Duffy the day 22 Q. You had mentioned in your discussion 22 Norm Cofeld showed up in my office. 23 that you had offered to let American Automobile 23 Q. He is who? 24 come here and review all the claim files and 24 A. The investigator for the Department of

Page 66 Page 68 Insurance investigating RCA. money over to the liquidator? 1 1 2 Q. Again, just I am clear, you believe that 2 A. Yes. 3 after hiring Childress & Duffy after the 3 O. How much money was left out of the 1.3 4 investigator came would have been the first time 4 million when you turned it over to the liquidator? 5 you would have reported the incident to American 5 A. I don't know. Maybe it was 1 million 6 Automobile or put them on notice of the potential 6 200 some thousand. I am not sure. 7 7 Q. So you hadn't made many claims out of loss? 8 A. After I found out about the potential of 8 that money yet? 9 stolen money. 9 A. No. 10 O. Did you ever receive a response from 10 Q. Do you know what the liquidator did with 11 American Automobile? that money? 11 12 A. Nothing in writing that I can recall. 12 A. To the best of my knowledge, they 13 We did finally -- they had never given me a copy. 13 haven't paid one penny in claims to anybody. To the best of my knowledge, they are 14 Kathleen was the first person to ever get a copy 14 15 of the policy sent. 15 using it for ongoing expenses in going to court 16 Q. When did you first notify American 16 and showing up and talking to the judge. To the 17 Automobile of your intentions to seek 17 best of my knowledge, they will pay out hardly reimbursement for monies paid directly to 18 anything. They are denying every claim that comes 18 19 19 claimants? down the pike to everybody. 20 A. After the liquidator took the money that 20 Q. Is there still an avenue by which you could submit a request for reimbursement for any 21 we had to pay claims. 21 22 Q. Do you recall when that was? 22 money that has been paid directly by you to a claimant? 23 A. The day they liquidated them. 23 24 A. To who? Q. Approximately how much money has been 24 Page 67 Page 69 1 Q. To the liquidator. paid to claimants directly out of funds either 1 2 through Brimar & Ciarrachi or Brimar; do you know? 2 A. I am not sure. 3 Q. Have you tried to figure out whether or 3 A. McClure & Associates has paid probably in excess of 600, \$750,000. That's a guesstimate. 4 4 not that avenue is still available to you? 5 5 Q. Has any of that money -- have you ever A. You know, I have submitted all the stuff been reimbursed from any source for any of the 6 I can so far. I don't know that it's still 6 7 money you paid directly? 7 opened for continued opportunity. They are 8 A. No. 8 claims that are open. The only thing that I am 9 O. So you never got any money from the 9 allowed to submit are things that I have releases 10 liquidation? 10 for. Most of those -- 90 percent of them are 11 11 taken care of. A. No. 12 12 Q. You indicated that you had conferred Q. The type of policies that you issue for 13 with the Department of Insurance about using the 13 Worker's Comp insurance or the ones that you did 14 \$1.3 million or so of client trust money to pay issue where AEG was involved, are we running into 14 15 back -- to pay claims? 15 a deadline of there can be no new claims coming A. Correct. 16 out of those policies, are you aware of? 16 Q. You obtained their approval to do that, 17 17 A. Typically, there is a two-year statute. 18 correct? 18 Q. So we will reach a point in time where 19 19 A. Correct. there should be no new claims on those policies, 20 Q. Eventually they liquidated the company 20 correct? 21 21 and asked and took command of that money back? A. Correct. 22 22 Q. Are you aware whether or not we have hit A. Actually told us -- no. They actually 23 stopped approving any payments. 23 those limitations period, or are they still 24 24 Q. Did that money end up -- turning that ongoing?

Page 70 Page 72 A. I think we have hit those limitations. 1 1 astronomical. 2 We haven't seen a new climb yet. 2 McClure & Associates would have been 3 Q. You or Brimar haven't received any new 3 sued by every insured that we had for every claim 4 claims? that there was. The penalties would be beyond 4 5 5 anyone's ability to pay. It would go beyond the A. Uh-huh. 6 Q. When was the last time you think you 6 limit that I have on the E & O insurance. 7 7 received ---Q. It's fair to say you didn't have any 8 A. No idea. 8 contractual obligation with any of these insureds Q. That's information that Brimar might 9 to step in in the event that AEG became 9 liquidated? 10 have? 10 11 A. Typically with Worker's Compensation 11 MR. SCOLARO: Objection. Calls for a 12 claims are reported within 60 days, typically, 12 legal conclusion. To the extent the client 13 and, you know, I don't know what the limitation 13 understands or knows the answer to that question, 14 is. I would have to find out, but I don't 14 he may answer. 15 expect -- it's not likely a bill we don't have 15 THE WITNESS: I have a moral obligation. outstanding with some exposure. 16 16 BY MR. RICE: 17 Q. Are you aware of other claims that are 17 Q. It wasn't my question. The question pending right now that have not been paid? 18 was: Did you have one written contract with any 18 19 of them? 19 A. Yes. 20 Q. Do you know approximately how much money 20 A. There was a contract of insurance with 21 is outstanding in unpaid claims? 21 every one of them. 22 A. No, because there are some cases have to 22 Q. Did McClure & Associates have a written contract with any of your clients to reimburse 23 go to trial. There are some that were denied 23 24 them in the event that their insurer became 24 coverage. You know, in the best case scenario, Page 71 Page 73 our defenses stand up. In the worse case scenario 1 insolvent? 1 2 we have to pay some of those. Could be a quarter 2 A. No. 3 of a million dollars. 3 Q. Did you have any oral contract with any O. You say the claim was denied. Who of your clients to reimburse them in the event 4 4 5 5 their insurer became insolvent? denied those claims? A. Brimar did. 6 6 A. No. 7 Q. So Brimar made a decision on some of 7 Q. Did Brimar have any written contract 8 these claims to deny them for whatever reason, is 8 with any of your clients or their clients to reimburse them for claims that were not paid 9 that correct? 9 because an insurer became insolvent? 10 A. Yes. Fraudulent claim. 10 11 Q. In those instances attorneys were 11 retained to represent the employers in those 12 12 Q. Did you have any oral contract to do 13 cases? 13 that? 14 A. Yes. A. No. 14 Q. When you made payments to claimants --15 Q. Those cases will likely go to trial? 15 16 before you made a payment to a claimant, did you 16 contact American Automobile to discuss that 17 Q. So the exposure is their potential 17 18 adverse judgment against the employer? 18 payment? 19 A. Plus legal fees. A. When they decided that they weren't 19 Q. You had certainly indicated before or at going to pay, yes. I told them that I was going 20 20 21 least suggested before why did Brimar elect to pay 21 to pay claims. I told them before I told Perlmeyer these claims directly? 22 22 that we were going to pay claims to mitigate the 23 A. McClure & Associates elected to do that 23 exposure. He made it very clear it was going to 24 be a long process; and they weren't going to send with Brimar; and if we didn't, the exposure was 24

1	Page 74		Page 76
1	anyone out here to see these files.	1	A. No.
2	Q. Is it fair to say then that your	2	Q. I am showing you what's been marked as
3	decision to pay these claims was a business	3	Exhibit 4 for your deposition. Just take a moment
4	decision to help prevent those clients from suing	4	to review that and let me know when you have had a
5	you in subsequent lawsuits?	5	chance to do that.
6	MR. SCOLARO: Objection. Foundation.	6	A. Okay.
7	Foundation regarding business decision, freezing	7	Q. Do you recognize that document?
8	of business decision, and objection with respect	8	A. No.
9	to the extent it calls for a legal conclusion, but	9	Q. Have you ever seen that document before?
10	to the extent the client understands the question,	10	A. At one time.
11	you may answer it.	11	Q. Who's Bill Wall?
12	THE WITNESS: I don't really understand	12	A. A producer.
1.3	the question.	13	Q. Does he work at this office?
14	BY MR. RICE:	14	A. Yes.
1.5	Q. You had indicated earlier that you were	15	Q. Is he currently still employed with you?
16	concerned if you didn't pay these claims there was	16	A. Yes.
17	potential huge exposure from McClure & Associates,	17	Q. He is one of your producers that has an
18	correct?	18	agency agreement with McClure?
19	A. Correct.	19	A. Yes.
20	Q. Is it fair to say in weighing those	20	Q. Was Mr. Wall, the producer, responsible
21	options the decision you made was to pay those	21	for placing Genie Temporary Services Worker's Comp
22	claims in an effort to maybe prevent lawsuits	22	with AEG?
23	being filed against you?	23	A. Yes.
24	A. Yes. It was to hire Austin Resolutions	24	Q. Is Exhibit 4 a document or a type of
	Page 75		Page 77
1	to reduce the outstanding obligation and to hire	1	document you would keep in the normal course of
2	law firms to represent the insureds and to	2	business?
3	mitigate their exposure, and at the same time	3	A. It should be in the file.
4	mitigate the exposure back to myself knowing that	4	Q. Do you know whether Genie had reported a
5	those exposures were much greater than my E & O	5	claim to McClure & Associates before this letter
6	policy.	6	was received?
7	Q. Now that the \$1.3 million of trust money	7	A. Yes.
8	is no longer available, what is the source of the	8	Q. Yes, they had reported one earlier?
9	funds that is being used to pay these claims?	9	A. This particular claim was reported, yes.
10	A. My own personal revenue.	10	Q. The claim of Mr. Ramirez?
	0 7 7 7 61 11 11 11 11 11		
11	Q. Is Mr. Ciarrachi putting any of his	11	A. Yes.
11 12	personal funds in this as well?	12	A. Yes. Q. Do you know whether Genie had reported
i	personal funds in this as well? A. We are 50/50 partners so 50 percent of	Į.	Q. Do you know whether Genie had reported any other claims prior to Mr. Ramirez' claim?
12	personal funds in this as well? A. We are 50/50 partners so 50 percent of of his money goes in there too.	12	Q. Do you know whether Genie had reported any other claims prior to Mr. Ramirez' claim? A. I'm not sure.
12 13	personal funds in this as well? A. We are 50/50 partners so 50 percent of of his money goes in there too. Q. Is the money being paid out of the	12	Q. Do you know whether Genie had reported any other claims prior to Mr. Ramirez' claim?
12 13 14	personal funds in this as well? A. We are 50/50 partners so 50 percent of of his money goes in there too. Q. Is the money being paid out of the McClure Ciarrachi partnership?	12 13 14	 Q. Do you know whether Genie had reported any other claims prior to Mr. Ramirez' claim? A. I'm not sure. Q. Speaking specifically about Mr. Ramirez' claim, in light of the fact that this letter
12 13 14 15 16 17	personal funds in this as well? A. We are 50/50 partners so 50 percent of of his money goes in there too. Q. Is the money being paid out of the McClure Ciarrachi partnership? A. Yes.	12 13 14 15 16 17	 Q. Do you know whether Genie had reported any other claims prior to Mr. Ramirez' claim? A. I'm not sure. Q. Speaking specifically about Mr. Ramirez' claim, in light of the fact that this letter obviously post-dates the liquidation of AEG, can
12 13 14 15 16 17	personal funds in this as well? A. We are 50/50 partners so 50 percent of of his money goes in there too. Q. Is the money being paid out of the McClure Ciarrachi partnership? A. Yes. Q. It's not coming out of McClure &	12 13 14 15 16 17 18	 Q. Do you know whether Genie had reported any other claims prior to Mr. Ramirez' claim? A. I'm not sure. Q. Speaking specifically about Mr. Ramirez' claim, in light of the fact that this letter obviously post-dates the liquidation of AEG, can you kind of describe to me how you would handle a
12 13 14 15 16 17 18	personal funds in this as well? A. We are 50/50 partners so 50 percent of of his money goes in there too. Q. Is the money being paid out of the McClure Ciarrachi partnership? A. Yes. Q. It's not coming out of McClure & Associates or Brimar LTD?	12 13 14 15 16 17 18	Q. Do you know whether Genie had reported any other claims prior to Mr. Ramirez' claim? A. I'm not sure. Q. Speaking specifically about Mr. Ramirez' claim, in light of the fact that this letter obviously post-dates the liquidation of AEG, can you kind of describe to me how you would handle a claim like this knowing that it involves an AEG
12 13 14 15 16 17 18 19	personal funds in this as well? A. We are 50/50 partners so 50 percent of of his money goes in there too. Q. Is the money being paid out of the McClure Ciarrachi partnership? A. Yes. Q. It's not coming out of McClure & Associates or Brimar LTD? A. It's coming out of our funnel account.	12 13 14 15 16 17 18 19 20	Q. Do you know whether Genie had reported any other claims prior to Mr. Ramirez' claim? A. I'm not sure. Q. Speaking specifically about Mr. Ramirez' claim, in light of the fact that this letter obviously post-dates the liquidation of AEG, can you kind of describe to me how you would handle a claim like this knowing that it involves an AEG policy?
12 13 14 15 16 17 18 19 20 21	personal funds in this as well? A. We are 50/50 partners so 50 percent of of his money goes in there too. Q. Is the money being paid out of the McClure Ciarrachi partnership? A. Yes. Q. It's not coming out of McClure & Associates or Brimar LTD? A. It's coming out of our funnel account. Q. Counsel represents one of the claimants	12 13 14 15 16 17 18 19 20 21	Q. Do you know whether Genie had reported any other claims prior to Mr. Ramirez' claim? A. I'm not sure. Q. Speaking specifically about Mr. Ramirez' claim, in light of the fact that this letter obviously post-dates the liquidation of AEG, can you kind of describe to me how you would handle a claim like this knowing that it involves an AEG policy? A. This particular claim happened during
12 13 14 15 16 17 18 19 20 21 22	personal funds in this as well? A. We are 50/50 partners so 50 percent of of his money goes in there too. Q. Is the money being paid out of the McClure Ciarrachi partnership? A. Yes. Q. It's not coming out of McClure & Associates or Brimar LTD? A. It's coming out of our funnel account. Q. Counsel represents one of the claimants that has made a claim against McClure &	12 13 14 15 16 17 18 19 20 21 22	Q. Do you know whether Genie had reported any other claims prior to Mr. Ramirez' claim? A. I'm not sure. Q. Speaking specifically about Mr. Ramirez' claim, in light of the fact that this letter obviously post-dates the liquidation of AEG, can you kind of describe to me how you would handle a claim like this knowing that it involves an AEG policy? A. This particular claim happened during the I don't know if this is a claim that was
12 13 14 15 16 17 18 19 20 21	personal funds in this as well? A. We are 50/50 partners so 50 percent of of his money goes in there too. Q. Is the money being paid out of the McClure Ciarrachi partnership? A. Yes. Q. It's not coming out of McClure & Associates or Brimar LTD? A. It's coming out of our funnel account. Q. Counsel represents one of the claimants	12 13 14 15 16 17 18 19 20 21	Q. Do you know whether Genie had reported any other claims prior to Mr. Ramirez' claim? A. I'm not sure. Q. Speaking specifically about Mr. Ramirez' claim, in light of the fact that this letter obviously post-dates the liquidation of AEG, can you kind of describe to me how you would handle a claim like this knowing that it involves an AEG policy? A. This particular claim happened during

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

Page 78

claim? The claim that I am familiar with, Genie, happened in the cease and desist phase of AEG, and we couldn't do anything; and it went to trial, and there was an award given, \$23,000.

After the cease and desist we agreed that we would pay that 23,000, but the attorney had already gone in and gotten sanctions and increased that to offer a hundred thousand dollars, and we asked for the defense from our E & O carrier the defendants go back in and get that reduced down to the \$23,000 and then we would deny it.

Q. Let me ask you this: If a claim like this were to be submitted today where you got a letter from a client saying John Q was injured at work; here is our claim we are submitting, could you walk me through what you would do today to facilitate or administer that claim?

MR. SCOLARO: Objection to the extent that a claim -- phrase it a claim like this, a foundation -- I am not quite sure what that refers to, but to the extent the deponent understands the question, he may answer it.

THE WITNESS: Tell me if you're talking

time period in which you were writing AEG insurance, and the claim occurred during one of those policy periods.

A. Okay. Knowing that the A and O carrier has made every attempt not to pay me anything or be involved in any way, I would first of all investigate the claim of hiring an adjuster to investigate and find out if the claim was compensible. If there are witnesses, we would do an entire workup. If it was a case that had attorney representation, we would probably hire a law firm and, you know, represent our insured. depending. It may be -- I'm not sure. Coming in this late I am not sure that there would be any coverage. We might just deny the claim. I don't know. It really depends on the nature of the claim and what happened. I can't imagine we could still have a claim that would be able to be turned in.

Q. Correct me if I am wrong, as part of your hesitancy are at least the concern that it might be different depending on when the claim was made. Is that based on the fact if the claim were reported to you during -- Strike that.

Page 79

- 1 about a claim came in from AEG from a claim, or 2
 - what are you talking about?

3 BY MR. RICE:

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

- Q. I am going to give strictly a hypothetical right now. I want to try to understand what's going on here in terms of the administration of claims involving clients who once had insurance with AEG.
 - A. Uh-huh.
- Q. If one of your clients sent you a letter or sent Brimar a letter saying one of my employees has made a Worker's Comp claim; I want to submit it to you so you're aware of it; and that claim obviously can no longer be paid by AEG directly, so walk me through how you and Brimar or you and Mr. Ciarrachi would go through deciding how we are going to handle this claim.
- A. You're going to have to be very specific with me. Give me a date that your claim happened. Tell me it was one of the insureds and what program they were under, and then I can tell you specifically what would happen.
- Q. Let's say it was an insurance policy that was issued from 2005, late 2005 to '07, the

Page 81

Page 80

1 If the claim had occurred during the 2 two-year period when AEG was still operable, would 3 your answer change if the claim was made or claim 4 occurred post AEG liquidation? 5

- A. You said AIG; then you changed it to AEG.
- Q. Would your answer change in terms of how you would handle a claim if the date of loss occurred during the time in which AEG was still in operation versus a claim that was made perhaps two years after AEG went into liquidation?
 - A. Absolutely.
- Q. How would that change; would that fact change? How you handle a claim?
- A. When AEG was operating, AEG paid for all claims. They funded the claims. Those claims were discussed with Mike Ward. Mike Ward would come in every week, sit down with two guys handing the claims, go over payments, everything from the outside investigation that was done to attorney's fees, you know, settlements, all of that was done by AEG or approved by AEG. After the fact all of that moved from the producers that were handling it back over to myself and Dave because we are the

Page 82 Page 84 ones who are responsible. 1 1 A. They told me that I wouldn't get one. 2 I only get a certificate. I asked three years in Q. When is the last time you dealt with 2 3 Mike Ward? 3 a row for a policy. They said no. I had been 4 A. Cease and desist. I have never talked 4 with Utica before. It's the first time in my life 5 to him since. 5 I couldn't get a copy of a policy. 6 Q. Aside from you and Dave Ciarrachi is 6 Q. Who told you that? 7 anybody else involved in the process that you have 7 A. That was the Brown and Brown who handled 8 described to us in terms of deciding how to pay 8 the account for this particular program. I only 9 signed up for them because one of my carriers told claims? 9 10 A. (Shaking head.) 10 me you ought to sign up on our policy. He told me 11 Q. That's a no? 11 it was a master program, and I didn't get a copy. 12 A. That's no. Other than our attorneys that 12 Q. How many years were you insured with 13 we hire. 13 American Automobile? 14 Q. Sure. Of course. You said you A. Five, six, seven. 14 15 represent or work with at least six or seven other 15 Q. Do you know the period in time in which 16 insurance companies, correct? 16 you have been insured with them? 17 A. Correct. 17 A. Probably clear back to '03, '04, 18 Q. Have you ever encountered a situation 18 something like that. 19 Q. The policy that was attached to the like this where you have had to assume essentially 19 20 the role of an insurer and hire attorneys and 20 complaint in this case had an effective period of 21 defend claims and pay out claims directly? 21 June 1st of '06 to June 1st of '07, reinsured five 22 A. We have never experienced anything like 22 years prior to that period, or is that in the 23 we have experienced with AEG. Have we had the 23 middle of the period? 24 ability to hire law firms and to adjudicate 24 A. Probably in '03 or '04. It was a June Page 83 Page 85 claims? Absolutely. 1 1 inception and expiration date on that policy. I 2 Q. That's strictly on an insurer-by-insurer 2 have held it in place for years. 3 basis? 3 Q. Do you recall when you terminated your relationship with American Automobile? 4 A. By a contract by contract. Some of our 4 5 insureds have million dollar deductibles, and we 5 A. I have never terminated it. 6 become the administrators of all claims under Q. So you're still with American 6 7 \$50,000, and we have a reporting procedure of 7 Automobile? 8 anything over \$50,000. Others have higher 8 A. Of course I am. 9 threshholds or lowered threshholds. Some of our 9 Q. You have a policy now, a copy of the 10 companies in the past have given us draft 10 policy, right? 11 authority. Some we have checks right here, and we A. Now they give policies. 11 12 will handle day-to-day claims and report back. 12 Q. When did they start giving policies? 13 Eventually they will come in and take a look at 13 A. After I asked for them, after my 14 where we are at. 14 attorney asked for them. 15 Q. One of the things you mentioned earlier 15 Q. Do they mail you one annually? 16 was the fact that you didn't receive an insurance 16 A. No. 17 policy from American Automobile until I think Q. How do you get it? 17 18 Kathleen Detrick got a copy of it for you? 18 A. You have to get it off the computer. 19 A. Correct. 19 Q. But that future was not available to you 20 Q. How did you enroll in the program with 20 back in 2006? 21 American Automobile? 21 A. No. 22 A. Through the computer. 22 MR. RICE: I don't have any further 23 Q. I assume a feature of the computer did 23 questions. 24 not allow you to print off a copy of the policy? 24 MR. SCOLARO: I have got a couple

	Page 86		Page 88
1	things; but, Bob, do you have anything?	1	might first start having claims and you
2	MR. GORBOLD: Give me just a second,	2	mentioned you stated that was right around the
3	please.	3	time that the investigator I think his name
4	MR. SCOLARO; Sure.	4	is I don't actually recall what his name is.
5	MR. GORBOLD: No. I have nothing.	5	A. Norm Cofed (phonetic).
6	MR. SCOLARO: I have a few questions.	6	Q. It was right around the time that Cofed
7	CROSS EXAMINATION	7	had come in here, is that not correct?
8	BY MR. SCOLARO:	8	A. It was sometime after that, yes.
9	Q. Brian, Dana asked a question regarding	9	Q. Would it be fair to say that you
10	the A rating of RCA, and he went on to ask how	10	notified AAIC as soon as practical?
11	often you check the rating. Is it fair to say	11	MR. RICE: Objection. Calls for a
12	that it's customary practice in the insurance	12	legal conclusion, but you can answer if you
13	broker agency business to check the rating of a	13	understand what the question is.
14	carrier prior to placing coverage with them?	14	THE WITNESS: I contacted them as soon
15	A. On an annual basis ratings change.	15	as I knew there was an exposure, a potential
16	Typically on an annual basis you'll take a look	16	exposure, that could or may turn into a claim or
17	one time a year, but here when companies let	17	may not.
18	when they have been downgraded from an A to B plus	18	BY MR. SCOLARO:
19	and so, you know, it's not a typical practice	19	Q. Give me a second, please.
20	where agents sit down and say look. When you're	20	With respect to Dallas National, you
21	selling a program like the AEG program, you're	21	mention that you took clients who had previously
22	forced to look at that a little bit more often	22	been in the AEG with AEG and you had moved them to
23	because you're printing it off the computer	23	Dallas National, is that correct?
24	system. That's why I said when our insureds would	24	A. Correct.
	Page 87		Page 89
1	ask because they want to know what it's rated.	1	Q. Was it your opinion that in doing so
2	In addition, I contacted Eddie McCreety and asked	2	that you have mitigated damages to the extent that
3	her what the rating was.	3	they were owed to they were incurred by
4	Q. Dana talked about claims being paid, how	4	McClure & Associates?
5	those payments were made. You mentioned McClure &	5	A. Absolutely. If I didn't move and get a
6	Ciarrachi, how we sort of termed it, funnel	6	carrier and get them that quickly, the exposure
7	account. Part of that funnel account is paid	7	would continue to grow, and Dallas started
8	into by B.D. McClure & Associates, isn't that	8	collecting claims, starting coming in a day or two
9	correct?	9	after they took over.
l	A. The majority of all money in that funnel	10	•
10	A. The majority of an money in that furnier		MR, SCOLARO. Did we enter a conv or me
10 11	account comes from McClure & Associates.	1	MR. SCOLARO: Did we enter a copy of the policy as an exhibit?
l		11	policy as an exhibit?
11	account comes from McClure & Associates. Q. Is it not fair to say that when clients	11	policy as an exhibit? MR. RICE: We did not.
11 12	account comes from McClure & Associates.	11	policy as an exhibit? MR. RICE: We did not. BY MR. SCOLARO:
11 12 13	account comes from McClure & Associates. Q. Is it not fair to say that when clients called with claims, were they threatening to take	11	policy as an exhibit? MR. RICE: We did not. BY MR. SCOLARO: Q. I only have three copies of this so,
11 12 13 14	account comes from McClure & Associates. Q. Is it not fair to say that when clients called with claims, were they threatening to take legal action against one of the entities here?	11 12 13 14	policy as an exhibit? MR. RICE: We did not. BY MR. SCOLARO: Q. I only have three copies of this so, Bob, you might be short on one.
11 12 13 14 15	account comes from McClure & Associates. Q. Is it not fair to say that when clients called with claims, were they threatening to take legal action against one of the entities here? A. Everyone said if we didn't pay those	11 12 13 14 15	policy as an exhibit? MR. RICE: We did not. BY MR. SCOLARO: Q. I only have three copies of this so, Bob, you might be short on one. Brian, could you just turn to the
11 12 13 14 15	account comes from McClure & Associates. Q. Is it not fair to say that when clients called with claims, were they threatening to take legal action against one of the entities here? A. Everyone said if we didn't pay those claims, they were going to sue McClure &	11 12 13 14 15 16	policy as an exhibit? MR. RICE: We did not. BY MR. SCOLARO: Q. I only have three copies of this so, Bob, you might be short on one. Brian, could you just turn to the back. I think this would be page what is
11 12 13 14 15 16 17	account comes from McClure & Associates. Q. Is it not fair to say that when clients called with claims, were they threatening to take legal action against one of the entities here? A. Everyone said if we didn't pay those claims, they were going to sue McClure & Associates because we are the broker.	11 12 13 14 15 16	policy as an exhibit? MR. RICE: We did not. BY MR. SCOLARO: Q. I only have three copies of this so, Bob, you might be short on one. Brian, could you just turn to the back. I think this would be page what is marked at the top as Page 28 of 31.
11 12 13 14 15 16 17 18	account comes from McClure & Associates. Q. Is it not fair to say that when clients called with claims, were they threatening to take legal action against one of the entities here? A. Everyone said if we didn't pay those claims, they were going to sue McClure & Associates because we are the broker. Q. It was McClure & Associates specifically	11 12 13 14 15 16 17	policy as an exhibit? MR. RICE: We did not. BY MR. SCOLARO: Q. I only have three copies of this so, Bob, you might be short on one. Brian, could you just turn to the back. I think this would be page what is marked at the top as Page 28 of 31. A. Okay.
11 12 13 14 15 16 17 18	account comes from McClure & Associates. Q. Is it not fair to say that when clients called with claims, were they threatening to take legal action against one of the entities here? A. Everyone said if we didn't pay those claims, they were going to sue McClure & Associates because we are the broker. Q. It was McClure & Associates specifically that those clients were threatening to sue?	11 12 13 14 15 16 17 18	policy as an exhibit? MR. RICE: We did not. BY MR. SCOLARO: Q. I only have three copies of this so, Bob, you might be short on one. Brian, could you just turn to the back. I think this would be page what is marked at the top as Page 28 of 31. A. Okay. Q. I am going to read this and just tell me
11 12 13 14 15 16 17 18 19 20	account comes from McClure & Associates. Q. Is it not fair to say that when clients called with claims, were they threatening to take legal action against one of the entities here? A. Everyone said if we didn't pay those claims, they were going to sue McClure & Associates because we are the broker. Q. It was McClure & Associates specifically that those clients were threatening to sue? A. That's who they purchased the insurance	11 12 13 14 15 16 17 18 19 20	policy as an exhibit? MR. RICE: We did not. BY MR. SCOLARO: Q. I only have three copies of this so, Bob, you might be short on one. Brian, could you just turn to the back. I think this would be page what is marked at the top as Page 28 of 31. A. Okay.
11 12 13 14 15 16 17 18 19 20 21	account comes from McClure & Associates. Q. Is it not fair to say that when clients called with claims, were they threatening to take legal action against one of the entities here? A. Everyone said if we didn't pay those claims, they were going to sue McClure & Associates because we are the broker. Q. It was McClure & Associates specifically that those clients were threatening to sue? A. That's who they purchased the insurance from.	11 12 13 14 15 16 17 18 19 20 21	policy as an exhibit? MR. RICE: We did not. BY MR. SCOLARO: Q. I only have three copies of this so, Bob, you might be short on one. Brian, could you just turn to the back. I think this would be page what is marked at the top as Page 28 of 31. A. Okay. Q. I am going to read this and just tell me if I am reading this correctly as you see it here.

r			
	Page 90		Page 92
1	following: Sale of professional employer	1	BY MR. GORBOLD:
2	organization plans including the sale and	2	Q. Mr. McClure, are you aware that as a
3	placement of insurance products within the plan	3	result of the Ramirez claim there was a collection
4	but excluding the administration or servicing of	4	action filed in Florida against Mr. Sippel
5	any PEO plan?	5	personally?
6	A. Yes. That's correct.	6	A. Yes.
7	Q. Is it your understanding that AEG falls	7	Q. Are you aware that as a result of the
8	into that definition of a PEO plan?	8	Ramirez claim that the payroll accounts for Genie
9	A. Yes.	9	Temporary Services and JES were garnished?
10	MR. SCOLARO: I think I'm done. I just	10	A. Yes.
11	want to be sure. Yeah, I'm done.	11	Q. You had submitted that claim to AAIC for
12	MR. RICE: I just have one quick	12	help in mitigating that loss?
13	follow-up.	13	A. Yes, I did.
14	REDIRECT EXAMINATION	14	Q. They had refused to cover it?
15	BY MR. RICE:	15	A. Yes.
16	Q. Your attorney had asked you a couple of	16	MR. GORBOLD: That's all I have.
17	questions about claimants that may contact	17	RECROSS EXAMINATION
18	McClure, and the concern you had which was that	18	BY MR. SCOLARO:
l	•	19	
19	they would sue you if you didn't resolve this	20	Q. I have one more question then. Is it
20	problem. Do you remember that question?	- Louis	fair to say then, Brian, that AAIC never issued a
21	A. Yes.	21	determination; despite all of your correspondence
22	Q. Did any of those claimant's clients ever	22	with them, they never issued a determination with
23	have attorneys contact you directly?	23	respect to denying of coverage or acceptance of
24	A. Yes.	24	coverage on this?
	Page 91		Page 93
1	Q. Aside from Genie's attorney have any	1	A. Yes.
2	other attorneys representing clients or former	2	Q. They didn't do so for quite some time?
3	clients of McClure ever contacted you relating to	3	A. Years.
4	claims involving AEG insurance?	4	Q. And then would you say that the first
5	A. Yes.	5	actual I guess you could call it a quasi
6	Q. How many would you say?	6	determination by them was them filing suit?
7	A. Three or four.	7	A. Yes.
8	Q. Have any of those attorneys and/or	8	MR. SCOLARO: That's all I have.
9	claimants filed suit against McClure?	9	(WHEREUPON, said documents were
10	A. No, because we mitigated the damages.	10	marked McClure Deposition Exhibit
11	Q. Did any of those attorneys when they	11	Nos. 1-5, for ID, as of 2/16/10.)
12	were shifting the claims on behalf of their	12	* * * *
13	clients and your clients ever send you copies of	13	
$\begin{vmatrix} 1 & 3 \\ 1 & 4 \end{vmatrix}$	complaints saying we would file this if we don't	14	
15	get a response within a certain amount of time?	15	
16	A. It was verbal.	16	
17	Q. You never received any follow-up letters	17	
18	from any of them either?	18	
19	A. We took care of the problems.	19	
20	MR. RICE: I have no further questions.	20	
21	MR. SCOLARO: I don't either.	21	
22		21	
23	Reserved signature.	23	
24	MR. GORBOLD: I do have a question. CROSS EXAMINATION	1	
4	CROSS EARIVINATION	24	

```
Page 94
 1
               CERTIFICATE
 2
                 OF
 3
            CERTIFIED SHORTHAND REPORTER
 4
 5
            I, THERESE M. SONNEMAKER, a Certified
 6
      Shorthand Reporter of the State of Illinois, CSR
 7
      License No. 84-2414, do hereby certify:
 8
             That previous to the commencement of
 9
      the examination of the aforesaid witness, the
      witness was duly sworn by me to testify the whole
10
11
      truth concerning the matters herein;
12
             That the foregoing deposition
13
      transcript was stenographically reported by me and
14
      was thereafter reduced to typewriting under my
15
      personal direction and constitutes a true and
16
      accurate record of the testimony given and the
17
      proceedings had at the aforesaid deposition;
18
             That the said deposition was taken
19
      before me at the time and place specified;
20
             That I am not a relative or employee or
21
      attorney or counsel for any of the parties herein,
22
      nor a relative or employee of such attorney or
23
      counsel for any of the parties hereto, nor am I
24
      interested directly or indirectly in the outcome
                                               Page 95
 1
      of this action.
 2
             IN WITNESS WHEREOF, I do hereunto set
 3
      my hand at Chicago, Illinois, this 27th day of
 4
      August, 2010.
 5
 6
 7
              THERESE M. SONNEMAKER, CSR
 8
 9
              CSR License No. 84-2414
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
```